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NOVEMBER, 1979

WEST EUROPE, 1979

NATO'S BALANCING ACT	<i>John Erickson</i>	145
THE EUROPEAN COMMUNITY	<i>William C. Cromwell</i>	148
GREAT BRITAIN: TORIES IN CONTROL	<i>Arthur Cyr</i>	153
WEST GERMANY'S THIRTIETH ANNIVERSARY	<i>Gerard Braunthal</i>	157
GREECE AFTER DICTATORSHIP	<i>Marios L. Evriviades</i>	162
TERRORISM AND DEMOCRATIC STABILITY IN SPAIN	<i>Stanley G. Payne</i>	167
ORDER OR CHAOS IN ITALY?	<i>Pellegrino Nazzaro</i>	172
FRANCE: A POLITICAL CULTURE IN READJUSTMENT	<i>William Francis Ryan</i>	175
THE MONTH IN REVIEW • <i>Country by Country, Day by Day</i>		187
MAP • <i>West Europe</i>		Inside Back Cover

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Current History

NOVEMBER, 1979

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How strong are the nations of West Europe? How are they coping with their energy needs? In this issue, eight articles discuss questions like these, focusing on the trend toward European integration and the military balance of power in Europe. Pointing out that "In an age of emergent Soviet strategic superiority, the readiness [of the United States to embark on nuclear war] can no longer be taken for granted," our introductory article criticizes "the strategic abracadabra of an increasingly unrealistic American commitment" to West Europe's defense.

NATO's Balancing Act

BY JOHN ERICKSON

Director of Defence Studies, University of Edinburgh

ONCE upon a time (to adopt the idiom of all good fairy stories and wholesome nursery tales), presentations and discussions of the NATO-Warsaw Pact balance were mild-mannered and relatively tranquil affairs, filled with routine reassurance and ritual descriptions of the sure shield of nuclear deterrence and the superiority of Western technology, which offset the gross numbers of the Warsaw Pact. The perception of the balance in Europe had been hallowed by time, resting as it did on the triad of conventional, tactical nuclear and strategic nuclear forces, each component representing stages in deterrence and escalation and all rooted in the implicit assumption of superior Western nuclear firepower. Whenever particular deficiencies emerged (and even using that other measurement of balance, including an inspection of deployments and tabling inventories of manpower, armor, artillery, air resources and economic effort), it was possible to argue that the overall balance—whatever that meant—was generally favorable to the West and the North Atlantic Treaty Organization.

Two recent developments have shattered these calm illusions and the air of unreality that has so long surrounded discussions of military balance. The first is external. If and when ratified, the SALT II treaty establishes Soviet nuclear parity (or, as some would have it, an emergent superiority) vis-à-vis the United States, while the development and deployment of the Soviet SS-20 ballistic missile with its triple warheads as a major modernized theater weapon system has done much to give the Soviet Union Eurostrategic superiority, pinning NATO's escalation capability if not actually eliminating it.

The second development was the thirtieth anniversary of the founding of NATO, duly marked by a conference—what else but a conference?—though it was scarcely to be guessed that we should witness nothing less than a spectacular auto-da-fé and the dramatic self-immolation of former United States Secretary of State Henry Kissinger. Even as he denounced (or renounced) much of the supposed rationale for SALT I and thus demolished many of his own strategic artifacts, Kissinger ruthlessly stripped away soothing platitudes and convenient manipulations.

With devastating lucidity, Kissinger pointed to the decreasing credibility that surrounds the United States-European "suicide pact," the supposed deterrent posture that stipulated that the United States would be ready and willing to embark on nuclear war to halt a Soviet assault on West Europe. In an age of emergent Soviet strategic superiority, this readiness can no longer be taken for granted, and there is an obvious absurdity in basing Western strategy on the credibility of the threat of mutual suicide. Yet constant reiteration of magic words, the strategic abracadabra of an increasingly unrealistic American commitment, actually served to justify the fact that NATO's political masters were steadily reducing their military expenditure. Now it is clear that there can be little or no utility in leading the European allies to seek the multiplication of strategic assurances from the United States that the United States cannot mean or that cannot be translated into action when the price is self-destruction.

Against this background, the much vaunted triad in its present form and with its current doctrinal and technological deficiencies appears to be severely, if not

dangerously, disjointed. Hitherto, the balance in Europe (although actually and persistently imbalanced because of NATO's failure to match the conventional strength of the Warsaw Pact) was sustained by superior firepower, above all, nuclear firepower; that advantage is now visibly eroded. Under the prevailing conditions of United States-Soviet nuclear parity (to put it at its lowest) and Soviet Eurostrategic superiority (based on an unmatched SS-20 force deployed within the confines of the Soviet Union itself), the indigenous European concept of conventional defense related to and essentially reliant on ultimate recourse to nuclear weapons is not realistic. The great risks of escalation now devolve directly upon NATO, denuded as it is of escalation dominance. At the same time, United States efforts to improve the conventional defense of West Europe cannot directly affect the crucial factor, the overall nuclear balance.

Two major issues are intertwined here, namely, the efforts the United States should and could devote to secure the survivability of its strategic retaliatory forces (thus reinforcing the means of deterrence that Kissinger finds so wanting) and the restoration of the tactical nuclear balance in Europe. While there is general agreement that the tactical nuclear balance is indeed a problem, the manner of dealing with it has yet to be decided, due in no small part to the divergence of opinion over military necessity and political expediency. Even the degree to which the introduction of the Soviet SS-20 missile (and the BACKFIRE Tu-22M bomber) enhances the threat and induces severe imbalance is a matter of sharp dispute; while these Soviet deployments have important military-operational significance, they do not change the nuclear scene in Europe.

These weapons systems cannot be easily and simply classified for purposes of straight comparison. The term "grey area" systems (generally identified as being weapons related to the regional as opposed to the strategic balance) is far from helpful. There is at least one obvious subdivision to be made here, namely, that between Long Range Theater Nuclear Forces (LRTNF) and tactical/battlefield systems (though here again there is something of an overlap): nor is it possible to ignore the possible targeting of United States and Soviet intercontinental ballistic missiles (ICBM's) and submarine-launched ballistic missiles (SLBM's) against objectives in Europe. The new Soviet SS-20 ballistic missile comprises the first two stages of the SS-16 mobile ICBM and carries three multiple independently targeted reentry vehicle (MIRVed) warheads (each of 100-150 KT) to a range of 4,000-6,500 kilometers and with a CEP* of some 700 meters when launched from tracked mobile launchers at pre-surveyed sites. Already some 100 SS-20's have been deployed in western Russia and

*Circular Error Probable.

with improved accuracy, greater range and triple warheads, the SS-20 is all too obviously a major advance on the 20-year-old SS-4's and SS-5's, located in fixed sites and patently vulnerable once the United States POSEIDON SLBM's had been brought into service in 1971.

By the same token, it can be argued that the Soviet deployment of the SS-20 is an essential modernizing step to deal more effectively with United States forward based systems (FBS) in Europe, including the FB-111/F-111 force (with over 160 F-111's based in the United Kingdom), nuclear-capable United States carrier-based aircraft, Polaris submarines assigned to the European theater, and the British and French nuclear systems. To the SS-20 the Soviet command can now add the BACKFIRE bomber, at once reinforcement and replacement of the aging 585-strong BADGER (Tu-16) bomber force which first saw service in 1955 and the 132 BLINDER (Tu-22) bombers introduced in 1962. G- and H-class submarines carry about 60 cruise missiles (older models with ranges from 350-750 miles, six of the G-class submarines being deployed in the Baltic), and the Soviet arsenal also includes about 1,000 nuclear-capable tactical aircraft.

The Western totals add up to 130 British and French SLBM's (65 each) and 18 French intermediate-range ballistic missiles (two squadrons each with nine SSBS SS-2's, to be replaced by S-3's) and six squadrons of MIRAGE IVA (33 bombers). There are in addition 700 nuclear-capable tactical aircraft (including United States carrier-based units) while a proportion of the 500 F-104's and 150 F-4's must also be counted as nuclear-capable.

The MGM-31A PERSHING with a 60-400 KT nuclear warhead—of which 108 are deployed with the United States forces in Europe and an additional 72 in the Federal Republic of Germany with the warheads in United States custody—has a range of 450 miles and, if "pushed forward," could conceivably be directed against targets on Soviet territory, but the PERSHING 1A is not an answer to the SS-20.

It has been suggested that NATO would need at least 400 systems to counter the SS-20, though the mix of these weapons—short-range ballistic missiles (SRBM's) and/or varieties of cruise missiles—is a subject for hot debate, as is the desirability of developing what might be seen as a European regional nuclear capability, which is, in a sense, separate from the central United States strategic systems. Coping with the Soviet threat in this manner would effectively decouple Europe from the United States strategic deterrent. Without ever having been launched in anger, the Soviet SS-20 would win hands down by driving this massive wedge between Europe and the United States. One candidate for the modernization of NATO's theater nuclear forces is the PERSHING 2

(a modernized three-stage version of the PERSHING 1A), with a very advanced radar-correlate terrain-matching maneuvering guidance system that would have a CEP of some 40 meters with a warhead appreciably smaller than that of the 1A and able to destroy underground targets with a nuclear earth-penetrating warhead. The separate development of a land mobile medium-range ballistic missile (MRBM) has received consideration, with a range in the order of 1,800-2,000 miles and combining the TRIDENT or PERSHING 2-guidance system with the General Dynamics ground-launched cruise missile (GLCM) launch system.

While estimates of the effect of the SS-20 and other Soviet improvements range from establishing unassailable Soviet Eurostrategic superiority to a net increase in advantage or edge as a low percentage—10-15 per cent—the general debility of NATO's theater and battlefield nuclear forces has been largely accepted. NATO modernization must attend not only to the weapons but also to the vulnerability of the existing systems by furnishing greater mobility and dispersal, adjusting gross numbers and yields which are too high, improving command and control and intelligence/target information. ADM's (Atomic Demolition Mines) have been under review. New warheads for the 155-mm and 203-mm howitzers as well as the LANCE missile are being introduced (producing longer range and less collateral damage), while the shift to SLBM's as opposed to dual-capable aircraft releases more aircraft for the conventional role (and reduces vulnerability).

However, critics of this Tactical Nuclear Force (TNF) improvement program have argued that more credible and usable nuclear weapons actually lower the nuclear threshold and that their very utility helps to reduce the United States nuclear commitment at large (yet another form of decoupling). Other reservations center not only on the SS-20 imbalance but on two other major shortcomings in NATO's general deterrent posture—the lack of the neutron weapon (enhanced radiation warhead: ERW) to cope with massed Soviet armor and, even more alarming, the lack of preparation to deal with the expanding Warsaw Pact capability for chemical warfare (CW). (General John W. Pauly, USAF, CINC USAFE, recently referred to chemical warfare as the most crucial of threats, because the Warsaw Pact maintains large stockpiles of chemicals and chemical munitions and employs considerable manpower for CW purposes with modern equipment and effective decontamination facilities, all widely tested and practiced in an extensive training program.)

While NATO must soon decide upon its response to the modernization of Soviet nuclear theater forces—a decision that involves not only the number and

**M=mobilization

mix of weapons to be deployed but also where they are to be deployed, the basing plan—modernization of a kind has been extended to conventional capabilities, related to the Long Term Defense Program (LTDP). This purports to be an answer to the deployed threat emanating from the Warsaw Pact, with particular emphasis on countering the in-place attack preceded only by short warning time, the growing threat posed by expanded Warsaw Pact air power, and the threat to supply/reinforcement sea routes. In theory at least, the NATO answer has been increased emphasis on readiness, reinforcement and reserves.

This brings us to the question of net balance, which comprises not only some consideration of order of battle but also combat readiness and initial combat capability. NATO's mal-deployment has long been castigated, and there is so far little sign of real improvement; to move to their war stations, many NATO formations are involved in a complex pattern of cross movement, with 1st Netherlands Corps having to move the greatest distance, 1st British and 1st German Corps committed to north-south movements and 1st Belgian Corps to a considerable easterly movement in what will be an "adventurous" course, in the sardonic comment of one German defense specialist. Even assuming optimum rates of movement, positions designated under the forward defense plan can only be manned within a time span of M+10 to M+25 hours, with an average of M+9 hours for units in a reasonable state of readiness.** The same disparity appears in the configuration of the main NATO commands, with NORTHAG committed to the defense of a front stretching for some 200 kilometers, facing potential Soviet thrusts along both sides of the Helmstedt-Dortmund autobahn and striking into the North German plain along the tank highway. CENTAG holds almost 600 kilometers, defending the Palatinate against any thrust aimed from the Thuringian bulge and designed to slice through the slender waist of the Federal Republic (with added danger coming from the southeast should Soviet columns strike through Austria). Some improvement, however, is offered by the planned introduction of United States elements into NORTHAG, which stiffens the defense against armored attack on an exposed axis.

Much depends on initial combat capability. The multinational corps of NATO do not maintain war-time strengths in peacetime and vary in their conditions of graduated availability. In addition to the three

(Continued on page 180)

John Erickson is the author of numerous books and articles on Soviet and East European military history and military affairs. His latest book is *Road to Stalingrad: Stalin's War with Germany*, vol. 1 (New York: Harper and Row, 1975).

Noting that "In part, the Community has been a victim of its own success," this specialist points out that "some of the early motivation for European unity . . . led to achievements at least partly attributable to the unity process."

The European Community

BY WILLIAM C. CROMWELL

Professor of International Relations, School of International Service, American University

THE 1960's witnessed divisive debates over the issue of supranationality in the European Community; the 1970's ushered in an era of pragmatism, in which grand designs yielded to practical accommodation between Community-wide interests and national imperatives.¹ Yet on balance the Community has continued to consolidate its position in Europe and has demonstrated resilience and adaptability in the face of turbulence.

The European Community (EC) is founded on three treaties: the Treaty of Paris (1951) that established the European Coal and Steel Community, and the two Treaties of Rome (1957), which launched the European Atomic Energy Community and the European Economic Community. The treaties are separately administered by a single set of institutions represented principally by the Council of Ministers, the Commission, Parliament, and the Court of Justice.

The motivation that sparked the European unity movement, eventually and principally embodied by the EC, sprang from a variety of factors. Two destructive world wars in the twentieth century, with their origins in Europe, led to the discrediting of nationalism as a viable form of political organization. Support grew for the idea that Europe could and must transcend its internecine conflict by deemphasizing national sovereignty and shifting decision-making authority in the economic realm to centralized institutions. Drawing partial inspiration from the history of United States tariff-free internal economic development, Europeans recognized that national barriers to trade, capital movements, business establishment and

labor mobility would hinder economic growth and prosperity. By eliminating or reducing these barriers, a huge, continental-size market would be opened that would improve productivity, stimulate investment and production, increase trade flows and spark rising levels of income.

The results of World War II, further, had produced a dramatic shift in the scale of international politics. With the United States and the Soviet Union dominant on the world stage, the once proud European countries seemed consigned to a diminutive status. Yet a unified Europe, harnessing the collective economic and political strength of its members, could assert its own position in the international arena and feel less threatened by or beholden to the superpower rivals. European unity was also regarded as an interim solution for the problem of Germany, whose division was a potentially destabilizing consequence of World War II and the subsequent cold war. Unity was seen as an instrument for Europeanizing the German problem. Integrating the Federal Republic of Germany into a West European community would give West Germany a clear stake in the European unity movement, with a surrogate nationalist appeal. In view of the unattainability (and for most non-Germans the undesirability) of German reunification, West European unity was to channel and anchor West German postwar economic and political development and thus alleviate the stresses of Germany's insoluble national question.

Despite this substantial consensus, disparate visions about the means and goals of integration plagued the EC during its first decade.² Though there were many shadings of viewpoint, the protagonists were generally grouped into advocates of either a federal or a confederal future for the Community. The federalists, supported by the EC Commission and West Germany, Italy, Belgium, Netherlands and Luxembourg (with varying degrees of conviction), argued for a progressive transfer of sovereign powers from the member countries to the decision-making bodies of the Community. Many federalists believed that this transfer would involve a virtually automatic process embracing "the expansive logic of sector integration" and exploiting the inherently interdependent nature

¹For a general survey of the European Community, commonly referred to as the Common Market, see Anthony J. C. Kerr, *The Common Market and How It Works* (New York: Pergamon, 1977). Useful treatments of various aspects of the EC are contained in "The European Community after Twenty Years," *The Annals of The American Academy of Political and Social Science*, vol. 440 (November, 1978) and "Looking for Europe," *Daedalus*, vol. 108, no. 1 (Winter, 1979).

²For a fuller examination of these conflicting alternatives, see David P. Calleo, *Europe's Future: The Grand Alternatives* (New York: Norton, 1967) and Alastair Buchan, ed., *Europe's Futures, Europe's Choices* (London: Chatto and Windus, 1969).

of economic activity. With the establishment of the customs union (1968) and the consequent elimination of tariff barriers and import quotas on most intra-Community industrial trade, "spill over" pressures would extend the scope of integration; market distortions and inequities would result if differing national practices (e.g., government subsidies, social legislation, transportation rate structures, competition policies, taxes) prevailed within a tariff-free Community.

Beyond the economic realm, it was often assumed that integration would encourage political unity, leading to the emergence of a United States of Europe. Proponents of this view also advocated continued close European security ties with the United States through the North Atlantic Treaty Organization (NATO) and United States nuclear protection, which suggested practical limits to their desire for an independent Europe.

The chief opponent of this vision was French President Charles de Gaulle, who espoused a confederal Europe. In de Gaulle's view, Europe could be built only on distinctive national member states, each with its own history, culture, sense of identity and mission, and domestic accountability. In this view, European institutions could never replace the decision-making role of the states and could at most serve a coordinating function to facilitate cooperation in areas of intergovernmental agreement. There would be no transfer of sovereignty from the European capitals to European Community headquarters in Brussels.

Despite important achievements, this conflict as to the method and goal of integration retarded the Community's progress in the 1960's. The customs union and a Common Agricultural Policy (CAP) were established (the latter of particular benefit to France), but other accomplishments were more modest. Negotiations for the creation of a European political union failed, and France continued to oppose British membership in the Community. Most important, de Gaulle obstructed the Community's planned transition to a majority voting system in the Council of Ministers, although the transition had been provided for in the Treaty of Rome.³ By insisting on unanimous decision-making on any issue deemed vital by any member, de Gaulle dealt a heavy blow to the advocates of a supranational community and reinforced national state control of the scope and pace of integration activity.

EUROPEAN COMMUNITY PERFORMANCE

Despite deep divisions over the method and goals of integration, the Community consolidated its position in its first decade. In 1968, 18 months ahead of schedule, the customs union was established, abolishing tariffs and import quotas on intra-Com-

munity trade and erecting a common external tariff on imports from non-member countries. Agreements on a Common Agricultural Policy (CAP) were reached in the early 1960's and a common pricing system for numerous agricultural commodities was adopted beginning in 1967. Restrictions on the freedom of movement of workers within the Community were removed in 1968. During the 1958-1968 period, the Community countries achieved a 5.2 percent average annual increase in gross national product and a 4.9 percent increase in product per worker (compared to 4.7 percent and 2.7 percent, respectively, for the United States). Intra-Community trade increased more than 400 percent during this same period.

In foreign relations, the Community concluded association agreements with Greece and Turkey in 1961 and 1963, and established trade and development links with African states through the Yaoundé Convention (1963) and the Arusha Agreements (1968). Trade accords with Morocco and Tunisia were reached in 1969, accelerating the pace of the Community's southern outreach, which led to trade pacts with all the Mediterranean countries except Libya. In global trade, the Community established its position on tariff concessions in 1967 and participated as a single unit in the Kennedy Round of tariff negotiations.

In the 1970's, the European Community had a mixed record of growth, setbacks and stagnation, much of it mirroring the impact of the oil crisis on domestic growth, inflation and unemployment, as well as the Community's institutional and legitimacy problems. On the positive side, the EC has become the largest trading entity in the world, accounting for approximately 23 percent (1978) of total world trade. Both for imports and exports, the Community is the most important trading partner for most countries of the world; the United States and the European Community are each other's best customers. In 1978, 13.3 percent of the EC's non-Community exports went to the United States, while 22 percent of United States exports went to the EC. Despite its chronic overall balance of trade problems, the United States has consistently experienced a trade surplus with the Community (largely because of agricultural exports), amounting to \$3 billion in 1978.

Allowing for the accession of Britain, Denmark and Ireland in 1973, the gross domestic product (GDP) of EC countries increased over sevenfold between 1958 and 1978 (at current prices and exchange rates) and more than three times between 1968 and 1978. The gross domestic product of the EC approaches that of the United States (\$1.6 trillion compared to \$1.9 trillion) and is roughly twice that of the Soviet Union. EC gross domestic product per capita increased sixfold between 1958 and 1978 and over threefold between 1968 and 1978. Exports of EC countries to their

³See Miriam Camps, *European Unification in the Sixties* (New York: McGraw-Hill, 1966), chapter 3.

Community partners increased from an average of 34.3 percent of total exports in 1958 to 52.1 percent in 1976. Although the Community could not escape the general recession of 1974-1975 induced by the increase in oil prices, it has since made a gradual economic recovery. The Commission forecast a 3.5 percent GDP growth rate in 1979 (compared to 2.3 percent and 2.6 percent in 1977 and 1978), though this will be adversely affected by the price increase announced by the Organization of Petroleum Exporting Countries (OPEC) in June. The relationship between economic performance and integration is problematic; but it is reasonable to conclude that the market unity and investment and production incentives offered by the EC have been major factors in the economic performance of member countries.

Other developments register the continued (if still limited) strengthening of the Community. Despite the economic strains of the 1970's, the customs union remains intact, and freedom of movement for workers within the Community has been preserved. A common Value Added Tax system has been instituted. By means of import levies (charged on imports from non-EC countries), export rebates and domestic market interventions, the Common Agricultural Policy (CAP) has moved the Community toward self-sufficiency in many food commodities, while narrowing the income gap between the agricultural and non-agricultural sectors of the Community's work force. On the other hand, the CAP's high price-support system has encouraged massive surpluses in some products, which have resulted in expensive storage costs and huge export rebates as Community farm products sought outlets in lower priced world markets. Support of the CAP currently absorbs about three-fourths of the EC budget and is financed by revenues from food import levies, industrial tariffs, and an assessment based on less than 1 percent of the Value Added Tax levied on Community products at different manufacturing stages.

The CAP has benefited major agricultural producers like France, whereas Britain and Germany and other net food importers contribute more to CAP revenues through import levies than they receive from

the price support and export rebate programs. Moreover, monetary fluctuations within the Community in recent years have led to various subsidies to preserve farm prices in the wake of changing currency values. The cost of the CAP severely limits Community resource allocation in other areas, including programs to improve agricultural efficiency that would enhance the competitiveness of European agriculture in world markets, make the CAP less protectionist, and reduce the export rebate costs to the Community. Unfortunately, domestic farming interests have thus far obstructed any major reform of the CAP.

In the area of competition policy, the Community regulates government subsidies to industries and prohibits unlawful agreements between firms and company practices that constitute abuse of a dominant position in a market area. Community intervention to prevent practices that act in restraint of trade may be directed toward either domestic or foreign-owned firms that operate within the EC. The European Court of Justice has gained acceptance as the supreme judicial authority for legal judgments and interpretations of the Rome Treaty and the derived law of the Community as promulgated by the regulations, directives and decisions passed by the Council of Ministers. EC law takes precedence over national laws in case of conflict between them, and national tribunals frequently seek the court's interpretation before applying Community law in national litigation. Decisions of the court are directly binding on individuals, business firms and governments in the Community and thus far all its decisions have eventually been accepted.⁴

The Community's 1970 decisions to increase its membership have great significance for the Community's future. The original Community of the Six (France, West Germany, Italy, Belgium, Netherlands, Luxembourg) became the Nine in 1973, with the accession of Britain, Denmark and Ireland. Despite this expansion of its market area, enlargement risks a dilution of the Community's integration potential. The British have reinforced the traditional French position on unanimous voting in the Council of Ministers, which complicates decision-making in an enlarged Community. Moreover, Britain's low relative performance in productivity and investments, her currency weakness, balance of payments problems, limited public support, and the lukewarm attitude toward Europe adopted by the Labour government (1974-1979), undermined British support for the Community.⁵ Prime Minister Margaret Thatcher's Conservative government, while signaling a more pro-European attitude than its Labour predecessor, appears determined to seek a reduction in the British contribution to the EC budget.

Negotiations for Greek membership in the Community were completed in 1979, with accession anticipated in 1981 after parliamentary ratifications. Mem-

⁴Werner J. Feld, "The Court of Justice—the Invisible Arm," *The Annals*, op. cit., p. 47.

⁵Despite the British public's endorsement of membership in the EC in the 1975 referendum (67 percent), popular support for the EC in Britain is low compared to that in the original Community of the Six. In a recent poll, only 39 percent of British respondents believed the EC was "a good thing" compared to 68 percent in the original Six. Commission of the European Communities, *Euro-Barometer*, no. 10, January, 1979, p. 71. Sir Nicholas Henderson, former British ambassador to France and current ambassador in Washington, has provided a candid assessment of Britain's postwar decline and lag in economic performance relative to France and West Germany. See *The Economist*, June 2, 1979, pp. 29-40.

bership negotiations were opened with Portugal in 1978 and with Spain in 1979. The Community's decision to open membership to poorer and less stable southern European countries was made more for political than economic reasons. The aim is to strengthen the continent's depressed southern tier while reinforcing its recently established democratic political structures. But southern expansion will entail a significant transfer of Community resources in the form of development aid, increased agricultural competition for French and Italian farmers, and potential employment problems in the more industrialized north as worker freedom-of-movement provisions take effect. Moreover, expansion may endanger Community cohesion by linking countries at widely disparate stages of economic development and with divergent interests that must be reconciled by an EC decisional system firmly grounded in unanimous consent.

The Commission warned last year that "through enlargement the Community could become weakened to the point where its fundamental objectives are put in doubt."⁶ In 1979, the EC heads of government appointed a committee of "wise men" to study problems associated with enlargement and to suggest measures to enhance the efficiency of Community institutions. Although French President Valéry Giscard d'Estaing proposed the study, it is clear that France will not permit modification of the agreement requiring unanimous consent in the Council of Ministers on a matter declared to be vital by any member state.

In foreign relations in the 1970's, the Community extended its association with developing countries through the Lomé Convention (1975) which embraces 57 African, Caribbean and Pacific (ACP) states. The Convention provides for tariff-free entry to the Community for 99.4 percent of ACP exports, while permitting ACP countries to maintain tariffs against EC exports. An export stabilization fund provides ACP countries with compensatory payments, when their export revenues in designated agricultural and raw material commodities fall below a given level. The Community is providing about \$4 billion in financial and technical aid over a five year period (exclusive of bilateral aid programs), over half of which is in the form of outright grants.

However, the results of the Lomé Convention have

⁶*The New York Times*, May 29, 1979.

⁷Michael B. Dolan, "Lomé 2 (or Khartoum 1): The Evolution of EC-ACP Relations," paper presented at a Conference of Europeanists, Washington, D.C., March, 1979.

⁸Remarks by President Giscard d'Estaing, November 21, 1978. French Embassy, Press and Information Division, 78/102.

⁹See Ernst B. Haas, "Turbulent Fields and the Theory of Regional Integration," *International Organization*, vol. 30, no. 2 (Spring, 1976), pp. 173-212.

been disappointing. ACP exports to the EC have not increased appreciably since 1974 and, allowing for price inflation, have actually declined in real value terms.⁷ Ironically, the exports of non-ACP developing countries to the Community have fared better. ACP exports as a percentage of total developing countries' exports to the EC are about the same as they were in 1974. Tentative agreement has been reached on a new accord to replace the current Lomé Convention, which expires in 1980.

COMMUNITY PROBLEMS AND PROSPECTS

With the Community now in its third decade, it is clear that the dreams of the early federalist supporters of European integration are unlikely to be realized. Even the affirmation of the 1972 Paris summit conference "to transform before the end of the present decade the whole complex of their relations into a European union" resounds as a distant echo. Few challenge the French President's conception of a Europe evolving along confederal lines

in which no one can impose his will on another. Accordingly, it is an organization that would bring policies closer together and shape common lines of action but would exclude the possibility of constraining any country of Europe that might not agree with the line adopted.⁸

The reasons for the evolution of the Community are multifaceted. In part, the Community has been a victim of its own success. Some of the early motivation for European unity—Franco-German reconciliation, economic prosperity, cold war security—led to achievements at least partly attributable to the unity process. Contemporary problems are apparently not strong enough to induce the progressive transfer of national sovereignty to the Community. Nationalism, in the sense of the preservation and enhancement of self-interest, has become stronger and is seen as a measure of the value of Community-level approaches. This is a significant downgrading of the commitment to unity for its own sake, which shaped much of the integration ethos in earlier years. Moreover, the imperatives and opportunities of global interdependence with non-member countries in monetary, industrial and energy fields have complicated efforts to mold common Community approaches and have challenged the adequacy of regionally determined solutions.⁹ Similarly, West Europe's continued security dependence on NATO has largely preempted defense issues as a separate European concern and has limited the importance of the Community's commitment to harmonize foreign policies outside the scope of the Rome Treaty. Thus, a combination of national and international pressures and linkages often compete with the Community as the chief focus of policy articulation.

Another problem is intrinsic to the nature of the integration process. The first decade of the EC en-

tailed negative integration, the establishment of the common market through the removal of tariff barriers and import quotas as prescribed by the Rome Treaty. In the more recent phase of positive integration, the Community has struggled with the far more difficult problem of harmonizing the economic, monetary and fiscal policies of member countries in order to avoid distortions within the market. Such measures encroach on sensitive national prerogatives and responsibilities in the areas of unemployment, inflation, investment policy, exchange rates and balance of payments. The 1974-1975 recession and subsequent slow and uneven economic recovery aggravated the situation. Various forms of national protectionism and exceptions to EC rules have been increasing. And despite the absence of tariff barriers on intra-Community trade (and partly because of this), differing national technical standards for products to be marketed within individual countries remain obstacles to free trade within the Community.

Given the still divergent performance of the economies of the EC member countries, the decision to inaugurate a European Monetary System (EMS) in 1979 was a bold step toward reducing the wide fluctuations in European currency values that have obstructed economic harmonization and induced protective national reactions. Trying to create "a zone of monetary stability in Europe," most EC countries agreed to maintain their currencies within a 2.25 percent margin of fluctuation above and below central rates between pairs of national currencies. Italy obtained greater support flexibility through a plus or minus six percent fluctuation margin; Britain has declined thus far to join. A \$30-billion intervention fund, created by pooling 20 percent of national re-

¹⁰Werner J. Feld and John Wildgen, "National Administrative Elites and European Integration, Saboteurs at Work?" *Journal of Common Market Studies*, vol. 13, no. 3 (March, 1975), p. 257.

¹¹See William R. Pendergast, "Roles and Attitudes of French and Italian Delegates to the European Community," *International Organization*, vol. 30, no. 4 (Fall, 1976), pp. 669-677. On the problem of divided loyalties to member states and the Community among Commission civil servants, see Hans J. Michelmann, "Multinational Staffing and Organizational Functioning in the Commission of the European Communities," *International Organization*, vol. 32, no. 2 (Spring, 1978), pp. 482-487.

¹²Werner J. Feld and John Wildgen, "Electoral Ambitions and European Integration," *International Organization*, vol. 29, no. 2 (Spring, 1975), p. 467. 69 percent of the legislators believed that integration issues were "immaterial" in elections and only 4 percent saw them as "very important." 57 percent said that they would challenge Community decisions that might have adverse effects on their constituents or themselves.

¹³For further discussion, see William Wallace and David Allen, "Political Cooperation: Procedure as Substitute for Policy," in Helen Wallace, William Wallace and Carole Webb, eds., *Policy-Making in the European Communities* (London: John Wiley, 1977), pp. 227-248.

serves, will be available for loans to EC countries to support their currencies within the agreed margins. A new European Currency Unit (ECU), based on a basket of national currency values, will settle accounts among central banks.

Many Community problems derive from the only partial linkage between Community and national levels of authority and from the remoteness of EC institutions from mass political participation. National administrative elites may resist the encroachment of Community actions on the prerogatives of their own ministries. Interviews with 82 national upper and mid-level civil servants in all EC countries in 1973 revealed that 45 percent felt that assignment to the Community would be damaging to their careers; only 17 percent would regard such an assignment as helpful.¹⁰ Perhaps surprisingly, interview research suggests that national representatives' regular official contacts with EC institutions do not engender more supportive attitudes toward the Community.¹¹ Although European public opinion is generally supportive of integration, the context of electoral politics means that positions on European issues are usually not relevant to national elections. In 1973, interviews with 82 national legislators in all EC countries disclosed that "political integration seems to offer no utilitarian value, no added votes, no improved status, and no increased political opportunities."¹² Despite the EC's proliferating bureaucracy, its staggering assemblage of regulations and directives and the sweep of its harmonization efforts, the Community system remains somewhat isolated from the national political cultures that are the symbols and mechanisms for articulating and allocating societal benefits.

Besides launching of EMS, in the 1970's the Community undertook other measures to broaden its role, strengthen its institutional capabilities and reverse the entropy that has been apparent to most observers. A system of political cooperation, established to facilitate foreign policy concertation among EC states, obliges consultation on all major issues of foreign policy.¹³ Given the restrictive economic mandate of the Rome Treaty and its institutional bodies, political cooperation is an attempt to broaden the functional scope of the Community system and to strengthen its corporate identity and influence. Consultation is effected through a network of regular meetings of the EC heads of government and foreign ministers, and a

(Continued on page 181)

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"The Thatcher Cabinet gives some grounds for confidence concerning long-term political success because of the quality as well as the comparative moderation of its members; Thatcher has chosen her Cabinet wisely."

Great Britain: Tories in Control

BY ARTHUR CYR

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IN British politics, 1979 has been notable primarily for the change in power from the Labour party to the Conservatives. The 1979 general elections resulted in a sweeping and decisive Tory victory, with an absolute Tory majority in the House of Commons of 43 seats, despite some indications in the closing phases of the campaign that Labour was closing the gap and might win. The transition between governments has been of more than usual interest because of the strong declarations of the Conservative party leadership that significant reforms would reduce taxation, trim the welfare state, encourage competition and generally diminish the role of the national government in the functioning of the economy and society. Foreign policy shifts, notably concerning southern Africa, were also anticipated.

The conventional view of British government and politics is that forces for continuity are more powerful than forces for change. Thus if the new government actually engineered a very sharp break with the past, this would be especially significant in the broader context of Britain's political development.

It is possible to see a kind of continuity of Prime Minister Margaret Thatcher's government with that of Edward Heath, which after the surprising Conservative election victory of 1970 took power and held office for nearly four years. Thatcher's emphasis on a sharp break with the immediate past, on cutting back the public sector, on encouraging competition and general "tough-mindedness" are all reminiscent of that earlier government. Thatcher, like Heath, stresses the need to correct a listing economy, spur growth and reduce inflation.

Margaret Thatcher and Edward Heath also share a similar background. Both are middle class individuals who rose from origins which, if not markedly disadvantaged, were not clearly privileged. In this sense, they contrast markedly with Harold Macmillan, Anthony Eden, Winston Churchill and the sort of aristocratic individuals the Tory party has traditionally elevated to the most senior post. One factor in this change in the origins of the party leaders may be the shift from a very private selection by the party inner circle to a more open election by the Conservative parliamentary party. More likely, both the

innovation of leader election and the tendency to choose non-aristocrats for the post indicate a diffusion of democratic attitudes within the party in recent years. From this perspective, the intraparty triumphs of Heath and Thatcher typify the flexibility of British political culture.

At least two characteristics of the Heath government in the early years of the 1970's are directly germane to the success of the Thatcher government. First, the Heath government was criticized for not following through with consistent toughness, especially with regard to industry. A series of compromises weakened the initial Conservative resistance to industrial subsidies. This, along with the apparent lack of good policy rapport between the Prime Minister and his Chancellor of the Exchequer, Anthony Barber, soon undermined the credibility of the administration. Second, the government was also at times extremely rigid and unyielding, especially with regard to trade union relations. The regime was ultimately forced into a general election (which resulted in a Labour plurality and government) by an enervating national coal miners strike which hobbled the economy and led to a reduction of the work week from five days to three. The Heath government managed to appear indecisive in some policy areas and rigid (to the extent of bringing on national crisis) in others.

Will Margaret Thatcher's Conservative government suffer a similar fate? Although it is impossible to predict the future with certainty, it is possible to extrapolate on the basis of current public policies.

In British Cabinet government, the Prime Minister is required to select individuals with independent power within the party for senior government posts, yet there is some freedom in choosing among a comparatively diverse group of personalities. The Thatcher Cabinet gives some grounds for confidence concerning long-term political success because of the quality as well as the comparative moderation of its members; Thatcher has chosen her Cabinet wisely. Edward Heath is not part of the new government, but this was expected. There was no apparent favor to the doctrinaire right wing; rather, the government generally is a middle of the road group. Lord Carrington is an especially experienced and judicious statesman

and his selection for the Foreign and Commonwealth Office was reassuring. The Foreign Office post is challenging at any time; at the present time, relations with Rhodesia, which in turn have implications for Commonwealth affairs generally, are tense, and the Tory party has less flexibility than Labour on foreign policy because of the strength of its right wing.

Likewise, Sir Geoffrey Howe as Chancellor of the Exchequer, Francis Pym at Defence, and Peter Walker at Agriculture reflect moderation. On the whole, the Conservative Cabinet gives the impression of an emphasis on good management rather than doctrinal purity. Sir Keith Joseph at the Department of Industry is perhaps the most clearly defined senior minister on the political right. There is a clear Tory commitment, to be sure, to the campaign pledge to cut government spending, but at the same time the Cabinet has a pragmatic cast. If the Thatcher government is politically successful, it will weaken the belief that the Labour party front bench has more identifiable—and, by implication, stronger and more effective—personalities than the Conservatives.

Necessity and personal preference appear to have been joined in molding a moderate Cabinet. The far right of the Tory party, very visible at annual conferences, does not have enough influential, generally respected senior members to comprise a Cabinet majority. At the same time, Thatcher was emphasizing her ties with the past; 18 of the 22 members of her Cabinet were ministers under Heath. In this sense, there is continuity of a very direct sort with the last Conservative administration.

REGIONAL DEVELOPMENT

Recent events have focused attention on the regional problems of Wales and Scotland. Regional economic development has, in fact, been a long-term policy of successive British governments, crossing party lines and going back in time at least to the interwar period. Both parties have long recognized the need to promote development in the economically backward areas of Scotland and Wales; differences between the two parties were reflected in marginal areas, for example, favoring direct regional aid grants or indirect tax incentives to promote investment.

The political dimensions of regional policy have only recently become of primary importance, thanks mainly to the impressive electoral gains of the Scottish and Welsh nationalist parties. While the peak of political influence and popular support for regional nationalists in Britain has apparently waned, both the Welsh and Scottish parties in turn provided significant pressure in support of movements for regional reform. Prime Minister James Callaghan's Labour government focused on proposals for regional governments. Ultimately, and not surprisingly, the process

¹*The Economist* (London), May 12, 1979, pp. 21-22.

brought forth comparatively modest devolution plans: there would be greater autonomy in areas like education, transportation and social services, along with elected regional assemblies; there would not be independent taxing authority for the new regional units, an important limitation in any case and particularly in the case of Scotland, where significant revenue has been generated by North Sea oil development.

Regional autonomy, which combines ethnic, cultural and political sensitivities, could conceivably reemerge as a paramount issue in British politics and a major challenge to the Thatcher government. Early indications are that the new government is even cooler than its predecessor to significant devolution. The government's policy, articulated in the Queen's speech opening the new Parliament, apparently will be to press for repeal of the Scotland and Wales acts, and to rely on inter-party discussions to develop proposals for devolution.

In historical terms, the Conservatives have strong support in England, while Labour and the Liberals have been much stronger in the Celtic fringe of Scotland and Wales. Consequently, Labour might be more sensitive to regional complaints, at least in third party terms. In the 1979 general election, the Tories were weak in the north; in Scotland, there was a net swing to Labour in comparison with the 1970 general election. By contrast, the Tories enjoyed a significant swing in their favor in Wales. This region, which has supported Plaid Cymru (the Welsh National party), Labour and—earlier—the Liberals, gave the Conservatives more seats than at any time since the dramatic 1874 victory of the party under Benjamin Disraeli. The national referendum on regionalism in March, which dealt a blow to advocates of regional reform, was particularly significant in Wales, where there was a four-to-one margin against devolution. This helped the Tory party cause. Nonetheless, the party may be undercut if no concessions of consequence are made to regional sentiments.¹

Another important regional problem is Northern Ireland. Life for any government in Westminster has been complicated by the huge vote for Ian Paisley's Democratic Unionist party in Ulster. The British army tries to act as a buffer between violent elements in the Catholic and Protestant factions, but Ulster remains a constant source of tension and potential crisis.

The new government also faces a severe test in relations with the trade unions and the industrial sector generally. Prime Minister Thatcher, like Heath before her, is a strong advocate of competition and is opposed in principle to subsidies. Almost certainly the government will face pressure from strong commercial interests to maintain public supports for particular sectors and to undertake new supports. The government has moved quickly to dispose of some state

commercial holdings, to amend the Employment Protection Act to lift some of the bureaucratic weights from small business, and to place more emphasis on competition through abolition of the Price Commission. The most telling of several arguments against the Price Commission was that it was redundant, performing best in exposing some restrictive trade practices that are the province of other sectors of the government. Presumably, considerable progress can be made in rationalizing bureaucracy in a system that relies heavily on an active public sector and close, complex relationships between government and business.

The greatest challenge, of course, will come in relations with the trade unions. Here, Callaghan's government had considerable strengths, including the political and doctrinal rapport between the Labour party and the trade union movement, Callaghan's unusual skill at reconciling differences, and a comparatively low rate of inflation. With the coming to power of the Tories led by Thatcher, the government has made a strong commitment to trade union reform, including changes in the picketing and closed shop laws and support for balloting by mail in union votes. There is also a promise of "adequate and genuine" consultation about these changes, but tensions and strong disagreements with the unions are certain.

As for energy policy, good luck more than good planning has brought a position of strength. North Sea oil is bringing self-sufficiency to Britain; two-thirds of the country's energy needs are now met by this source, and oil price rises mandated by the Organization of Petroleum Exporting Countries (OPEC) only increase Britain's revenue from the 600,000 barrels exported per day. Low demand from the troubled steel industry has increased the reserves available to the National Coal Board. There is less of a cushion in the gas industry, but no likely shortage. Britain's current fuel consumption is roughly 33 percent coal, 44 percent oil and 18 percent gas. The nation is relatively secure although, in a serious crisis, the International Energy Agency and European Economic Community sharing agreements would equalize stringencies among industrial nations. Nonetheless, oil provides Britain with national security, leverage and income. At the same time, the discovery of large oil reserves provides only an extended breathing space. Energy self-sufficiency and the ability to export oil will aid but not solve the nation's deep-rooted economic problems.²

SOCIAL SERVICES

In line with the government's plan to cut back public spending to encourage competition and reduce dependence on the public sector, there are to be reductions in social services. Generally, but not ex-

clusively, the government will rely on private enterprise and the private sector; if there is a choice between public and private implementation, the latter will be favored. The Queen's speech, for example, noted that legislation will encourage private medical care, that a fourth television channel will go to the commercial Independent Broadcasting Authority rather than to the British Broadcasting Corporation, and that council (public) housing will be sold at a discount.

The government has also announced that there will be a budget cut equivalent to one billion dollars for education and science. For higher education, this will mean significant reductions in annual grants to universities and research councils, as well as a rise in tuition and fees for students from overseas. There are also indications that Conservative policymakers, including Mark Carlisle, the Secretary of State for Education and Science, are anxious to emphasize vocational and commercial education.

At the same time, there will be no really revolutionary assault on the modern welfare state. A regularly scheduled increase in pensions in November will be implemented, as well as a Christmas bonus for pensioners. The Conservatives are apparently emphasizing a shift in the balance of power between the public and private sectors and a readjustment of the connections between government and business, rather than revolutionary changes. The sort of collectivism that favored the traditional aristocracy over newer commercial interests, fostered collectivism in industry during the Great Depression as an antidote to economic problems, and encouraged protectionism through Commonwealth Preference and other such devices is no longer a powerful sentiment in Tory circles. Just as Edward Heath and Margaret Thatcher personally represent a contrast with traditional Tory leadership, so party doctrine has changed to reflect more directly the attitudes of the modern business classes.

The Conservative government has not yet made any major departures in foreign policy. Initially, there was speculation that the Thatcher government would adopt an unyielding conservative position. In practice, however, the government has moved slowly toward any basic change, like lifting sanctions against Zimbabwe-Rhodesia. The recent Commonwealth conference, in fact, resulted in a British declaration in favor of a new peace plan, to include a cease-fire, a constitutional conference, and British-supervised elections. This approach, which has been denounced by Prime Minister Abel Muzorewa of Zimbabwe-Rhodesia as an insult, is dramatic evidence of the flexibility of a Conservative government struggling to reconcile warring factions and maintain consensus in the Commonwealth.

The election of the Conservative party has strength-

²*The Economist*, February 24, 1979, p. 84.

ened Britain's international financial position. The British pound was undervalued and would have recovered somewhat in any case; nevertheless, the election of the Tories and the coming to power of this Conservative government gave a boost to the international position of the currency. Between the elections of early May and early August, the pound increased in value by approximately nine percent against the United States dollar and eight percent against a weighted basket of European currencies.

Various explanations have been advanced for this positive turn. High interest rates and North Sea oil account for part of the improvement. On a more abstract level, however, the perception of a tough-minded British government is important. The chairman of Lloyds Bank Ltd., Jeremy Morse, was recently quoted along this line: "I've been tremendously struck by the glow abroad about the new government. There is intense interest and quite a bit of admiration. . . . It's so rare to see a government that pulls no punches."³

With regard to Europe, where foreign and domestic policies have a series of complex interfaces, the new government has had some surprising successes. From a long-term perspective, the Conservative party has been strongly and consistently pro-European Community, but there has recently been some uncertainty about the attitudes of the Thatcher government. Partly this reflects British unwillingness to cooperate fully in new currency arrangements. The British have accepted the technically calculated European currency unit (ecu) and swap arrangements designed to bolster national currencies, but so far they have abstained from the other mechanisms that make up the common currency. It has also been argued in various quarters, including the British Treasury, that Britain has had to make a major contribution to the Community in exchange for comparatively limited benefits. Over 70 percent of the Community budget is spent on support for northern European farms; prices of food imports are high as a result of Community policy; and in 1978 Britain paid £745 million—more than any other nation—into the Community.

There was concern, therefore, about the British attitude as preparations were made for the summit meeting at Strasbourg in June, 1979. In the event, however, the European perception of the Thatcher government was positive; Prime Minister Thatcher was well informed on specific policy areas. Moreover, the British have been flexible on currency, energy, prices and other policy areas.

In sum, the government has enjoyed some notable foreign policy successes. African and European policy are generally perceived prudent. The normally positive impact of a Conservative electoral victory in international currency markets has been heightened

by this government's apparent firmness of purpose.

As for the Labour party, there is not likely to be a dramatic change in its political fortunes, at least in the near term, unless the Tories stumble badly. For one thing, there is no imminent change projected in leadership. James Callaghan, who held as Prime Minister as long as he could before calling a general election, has decided to retain the top party post for the rest of the parliamentary session, until a year from October. His style of avuncular, nonideological, consensual leadership is not only quintessentially British, it is also especially helpful for the party. Especially after a national election in which Labour had the initiative in the closing stages, his leadership should mitigate internal strains and divisions, including the basic division between the left and the rest of the party.

Moreover, the left is unlikely to heighten the cleavage at the present time. Tony Benn, the most prominent left spokesman, has been losing rather than gaining support, especially in the parliamentary party. John Silkin, the other leading contender for the mantle of the left, is not yet strong enough to launch a decisive battle for control. Benn and his supporters are concentrating their efforts on a campaign to dilute the significance of the parliamentary party in leadership selection and to increase the importance of grassroots activists.

TORY PROSPECTS

As for the Conservative party in power, several major related factors will strongly influence the long-term success or failure of Thatcher and her colleagues. First, there is the style of the Prime Minister and her Cabinet members. Leadership in Britain requires an ability to reconcile differences as well as to inspire confidence and mobilize a popular will. Such finesse is especially necessary for a leader otherwise known as abrasive and firm. In Britain, more than many other industrial democracies, interest groups are large, inclusive and very effective. Consequently, reconciliation is an essential ingredient in any major policy change.

Second, the civil service remains a powerful definer of policy options and a shaper of policy implementa-

(Continued on page 182)

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³The Wall Street Journal, August 6, 1979, p. 7.

"Unless the West German chief opposition party . . . comes up with imaginative alternative strategies for the 1980 election campaign, Chancellor Schmidt . . . may well govern for another four-year term."

West Germany's Thirtieth Anniversary

BY GERARD BRAUNTHAL

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IN May, 1979, the Federal Republic of Germany celebrated its thirtieth anniversary with spectacular fireworks and cultural shows. Three decades earlier, the adoption of the Basic Law (constitution) had marked the beginning of a new democratic state. From 1949 to 1979, West Germany made significant advances in the political, economic and social spheres. The country had never seen so long a democratic rule. The only other democracy, the Weimar Republic, lasted barely more than 14 years (1918 to 1933) before Adolph Hitler plunged Germany into 12 years of darkness, followed by defeat in war and painful reconstruction. The result was the 1949 division of the country into two separate states: the Federal Republic (West Germany) and the Communist-controlled German Democratic Republic (East Germany).

The division of Germany with little chance of reunification was the price the nation had to pay for supporting the Hitler regime. While West German leaders recently noted the importance of "cooperative neighborliness" with East Germany to make the results of the partition more bearable, they know that the division of their nation will last as long as the non-Communist West is competing with the Communist East.

They also know that because of a remarkable economic growth in the 1950's and 1960's most West German citizens are eager to maintain their hard-won gains and are not ready to support any economic or political experiment that might endanger these gains. Hence these citizens opt for law, order, stability and continued growth. Yet perhaps not too surprisingly, they are not too optimistic about the future, fearing economic problems and uncertain about the direction in which the government is moving.

HITLER'S LEGACY

The Nazi past also haunts the present, as foreign states measure West Germany by its ability to overcome prewar Germany's guilt for Hitler's rise to power and its responsibility for launching a world war that cost 60 million lives and a policy of exterminating Jews that cost 6 million lives. As Chancellor Helmut

Schmidt noted on November 9, 1978, on the occasion of a memorial in remembrance of the infamous Crystal Night of November 9, 1938 (when thousands of synagogues and Jewish shops were put to the torch), "How could this monstrous collective crime happen?" He provided one answer: "We have to bear the political legacy of those responsible and we have to draw our conclusions. That is where our responsibility lies."¹

More concretely, to atone for the past, since 1949 the German governments have made restitution to those Jews who survived the Holocaust and have tried to establish normal relations with Israel. They have also concluded over 84,000 criminal investigations of Germans accused of Nazi and war crimes. German courts have handed down 164 life terms and over 6,000 lesser jail sentences to those found guilty. But in more than 74,000 of these cases no convictions could be obtained because of the difficulty of finding witnesses or establishing evidence that would stand up in court. In recent years, new criminal proceedings have been instituted against former Nazis, but the defendants have taken advantage of so many legal safeguards that cases drag on for years, producing in turn an alarming decline in the rate of convictions.

In January, 1979, the American television film "Holocaust," depicting the Nazi killing of Jews, was shown on West German television. It made a strong impact on older Germans who had tried to forget the past and on younger Germans for whom the events were remote or the subject of a few lines in their civics textbook. It also made an impact on German legislators who had to vote to end or to retain the statute of limitations for murder that by an earlier vote of the Bundestag (Lower House of Parliament) was to expire on December 31, 1979. A vote to scrap the statute meant that in the future no Nazi mass murderer would be able to escape prosecution merely because the limitation deadline had passed. In July, 1979, the Bundestag, by a vote of 255 against 222, voted to end the statute. The political parties had given the deputies the right to vote their conscience.

The majority who voted to scrap the statute argued on the basis of morality and justice, but kept in mind the fact that the international community would have been shocked if the vote had gone the other way. The

¹The Bulletin, Archive Supplement, vol. 6, no. 1, January 3, 1979.

minority who voted for a limitation believed that German courts should not be overburdened by a task that they cannot master by legal means and that the government should not discard an established principle of German law for the sake of putting a few old Nazis on trial with little chance of conviction. Still other deputies sought a compromise: the statute should be removed only in cases of Nazi crimes. But the opponents of a compromise retorted that there would be difficulties in differentiating various types of murder. In any case, the practical effect of the vote, swiftly sustained by the Upper House, was more symbolic than real, because few new cases were expected.

One year earlier, in 1978, the press had played up the case of a leading Christian Democratic Union (CDU) politician. When CDU opponents heard about the wartime activities of Minister President of Baden-Wuerttemberg, Karl Hans Filbinger, they asked for his resignation. As a judge on a naval court-martial late in the war, Filbinger had allegedly sentenced several sailors to death. In August, 1978, after months of pressure, he resigned his post.

In May, 1979, the Nazi past also came to haunt the present when a new Federal President had to be chosen. For this mostly honorific and non-political post, corresponding to the role of the British Queen, the opposition Christian Democrats had nominated Karl Carstens. He won easily over the candidate put forward by the Social Democratic party (SPD), the major governing party, because the composition of the electoral college does not correspond to that of the Bundestag in which the Social Democrats and their small ally, the Free Democratic party (FDP), have a slim majority. Carstens had been a member of the Nazi militia while a student, and in 1937 had sought membership in the Nazi party because he had been told that it would be useful for his future career. His postwar rise in politics was swift. He joined the Christian Democratic Union (CDU) in 1955, was elected to the Bundestag in 1972, became chairman of the CDU parliamentary group in 1972 and Bundestag President in 1976. As an arch-conservative in the conservative CDU, he succeeds Walter Scheel, a member of the FDP, who (it was revealed in 1979) had also been a nominal member of the Nazi party. Chancellor Helmut Schmidt (SPD) belittled the Nazi affiliation of Carstens and Scheel, and said that he was opposed to reopening de-Nazification proceedings against prominent politicians who had been cleared by Western Allied de-Nazification boards in 1948.

German democrats and foreign observers have also been worried by the militant activities of neo-Nazi groups, whose membership in recent years has been on the rise and who have engaged in anti-Semitic and

other criminal actions. The proportion of neo-Nazis in the total population is minute, and the total number of voters who support the neo-fascist National Democratic party at elections is less than 1 percent; nonetheless, in recent years a nostalgia and curiosity wave about the Nazi past has swept the country. Films, books, magazines and phonograph records about the movement and its leaders have hit the newsstands and stores, and films about Hitler have been shown. As a countermove, the government has asked schools to spend more time on the Nazi period to educate students in the realities of the Nazi era.

On the extreme left of the political spectrum, in an attempt to shake up the capitalist system, the terrorist Baader-Meinhof group was responsible up to 1977 for a series of bank robberies and property damage, and the murder of several leaders of the political and business elite. The climax of their activities occurred on September 5, 1977, when they kidnapped Hanns Martin Schleyer, a leading industrialist. He was murdered when a German commando unit foiled a highjacking attempt to free other group members held in jail; several of the jailed members in turn allegedly committed suicide.

Such dramatic action produced a swift government and parliamentary counteraction to restore law and order. Laws in effect limited the civil liberties of citizens, although they were designed only to eliminate terrorist activities. One such law gave the police the right to search an entire apartment complex if there were sufficient evidence that terrorists were in hiding there.

Civil libertarians also became concerned about the illegal government "bugging" of suspected individuals, wide use of data banks providing detailed information about citizens, and the continuing inability of many radicals to obtain public service employment because of a controversial 1972 decree. As one leading newspaper noted, "There are times when legalism and the striving for bureaucratic perfection endanger basic rights."²

POLITICAL DEVELOPMENTS

Although in recent years the government has been buffeted by illegal action from the left and right and has been accused of engaging in questionable actions itself, its stability has not been endangered. The governing Social Democrats and Free Democrats managed to win a key election in Hesse in 1978 by a small majority despite earlier reverses in mid-term state elections. A conservative CDU leader, Alfred Dregger, had hoped that a victory for his party in Hesse would give the CDU and its allied party in Bavaria, the Christian Social Union (CSU), an increased majority in the Bundesrat (the Upper House of Parliament) in order to block crucial legislation enacted by the Bundestag (the Lower House) in

²*Die Zeit*, May 25, 1979.

which the government coalition has a small majority.

In another important 1978 state election, in Bavaria, as expected, the CSU, under the leadership of Franz Josef Strauss, scored easily over the beleaguered SPD. The CSU received nearly 60 percent of the vote, while the SPD received 31.4 percent and the FDP 6.2 percent. Although the CSU had lost 3 percent of its vote, compared to the earlier 1974 state election, in 1978 the CSU challenged the CDU over its selection of a Chancellor candidate for the 1980 national election.

The CDU nominee was the moderate Ernst Albrecht, Minister President of Lower Saxony. Albrecht's nomination was supported by Helmut Kohl, CDU chairman and unsuccessful candidate for the chancellorship in the 1976 national election. Kohl, ruling himself out of the race, believed that the 48-year-old Albrecht could attract young voters, floating voters and Protestants in the north who normally might be disposed to vote for the SPD.

On July 2, in the wake of many meetings of a joint CDU-CSU strategy commission, CDU and CSU Bundestag deputies met to choose their Chancellor candidate. In secret balloting, they gave Strauss 135 and Albrecht 102 votes. Many deputies who cast their ballots for Strauss reasoned that he would be the stronger of the two candidates. Even though he was 63 years old, the age factor would be offset by the extensive experience that Strauss had had at the national level as a former Minister of Finance and Defense. The CDU deputies also feared that if Strauss were not nominated, he might form an ultra-conservative party on the CSU model that would make inroads into CDU strength.

Before his nomination, the SPD reaction to Strauss was negative. The party portrayed the Bavarian leader as a cold warrior and a reactionary. Chancellor Helmut Schmidt stated that a Federal Republic controlled by Strauss would make the country a force that would be difficult for the Western allies to deal with. Strauss retorted that the Chancellor was "a midget dressed up in a hero's outfit" who should have his "mental condition examined if he describes other democratic politicians as security risks."³

A more neutral assessment of Strauss came from the prestigious weekly *Die Zeit*:

Regardless of how controversial the man may be, he is no fascist, not even a proto-fascist, but a politician whose views reflect an amount of liberalism mixed with amazing reaction in a fashion that is thoroughly in tune with the constitution.⁴

It is doubtful that Strauss will be able to defeat Schmidt in the 1980 national election, given the

Chancellor's current popularity. However, the left wing of the SPD, never too fond of Schmidt's rather conservative national policies, will have to unite behind the Chancellor to prevent a Strauss victory. And if Strauss drops his demagogic style for the duration of the campaign and moves to the ideological center to attract that important segment of the population, then he may be a threat to the SPD-FDP coalition government.

The FDP is also nervous about the Strauss candidacy because he is courting a new Citizens party that seeks massive tax reductions. The FDP, dependent on the support of a segment of the business community and of middle-class voters, cannot afford to lose too many votes if it is to maintain its existence as a party in the Bundestag. In the 1976 election, the FDP polled about eight percent of the vote but, according to the electoral law, it would lose all seats in the Lower House if its vote fell below five percent. Should the Citizens party gain a few percent of the vote—an unlikely possibility for the present—then the future of the FDP would be doubtful and a new SPD-FDP coalition government would also be threatened.

The SPD and FDP also worry about the rise of so-called green-ticket parties that have emerged from local citizens' initiatives concerned about environment, ecology and nuclear energy problems. In the October, 1978, Lower Saxony and Hamburg elections, the "greens" polled 3.9 and 4.5 percent respectively, although later in the same year they made little impact in the Hesse and Bavaria elections. Thus SPD, FDP, and CDU/CSU cannot be certain at all of the 1980 national election outcome that will determine the political makeup of the new government to be in office from 1980 to 1984.

They received one clue, but it may not be too conclusive, in the West German elections choosing delegates to the European Parliament of the Common Market.* In June, 1979, voters in nine member countries voted for the first time to select delegates to a body that has few legislative powers but is symbolic of an attempt at European unity. CDU and CSU received 50 percent of the German vote, up by 1.4 percent from the 1976 national election, capturing 42 of the 81 German seats. In the European Parliament, the CDU/CSU will join the European People's party, a new alliance of Christian Democrats in the Common Market countries.

The SPD and FDP could not match their 1976 vote. The SPD received 40.8 percent, down from 42.6 percent, and 35 seats, while the FDP dropped from 7.9 to 6 percent, for a total of 4 seats. The two parties will join the respective Socialist and Liberal party blocs in the European Parliament. Other German parties could not win any seats, because of the 5 percent minimum necessary for representation. The green ticket received a creditable 3.2 percent, ap-

*For further discussion of the European Parliament, see the article by William Cromwell in this issue.

³The New York Times, May 25, 1979.

⁴Die Zeit, July 6, 1979.

parently at the expense of the SPD and FDP, while the Communist party received only 0.4 percent of the vote.

ENERGY

To return to the national scene, the 1980 Bundestag election will hinge not only on the Schmidt versus Strauss candidacies for the chancellorship and the performance of new splinter parties, but also on domestic and foreign policy issues. One of the key issues is energy. West Germany has been strongly dependent on Middle East oil for its energy but, as a result of the 1973 oil embargo, the government decided to scale down oil consumption from 55 to 44 percent and to increase other sources of energy. Nuclear energy was considered at that time as a satisfactory and relatively cheap alternative source of power. By 1975, 11 nuclear power generators were producing about 4 percent of West Germany's electricity, 8 more plants were under construction, and 14 were in the planning stage. By the early 1980's, the government expected nuclear plants to supply 25 percent of West Germany's electricity. In the 1970's, West Germany's nuclear program of 9,000 megawatts was the third largest in the world, trailing the United States and Japan.

The government soon abandoned its target of 35 to 40 nuclear plants by the mid-1980's, because of a slowdown in economic growth, a reduction in energy consumption forecasts, the development of more efficient methods of using coal and oil, and the mounting opposition of citizens' initiative groups concerned especially about the lack of safe storage of nuclear waste.

The groups first engaged in sit-ins to raise public consciousness. Then, in legal challenges, they demanded that the courts prohibit new plant construction until safety questions had been solved, and the courts ruled in their favor. The government and the political parties were unprepared for the vigor of the opposition and for the court decrees. By 1977, the government could no longer count on full backing from their own parties. The SPD and FDP were deeply split on the nuclear issue, with their left wings calling for a moratorium on new construction. But Schmidt, acknowledging that his party had neglected to take sufficient account of the population's fears, argued that the country could not do without atomic energy. He also feared that a cutback in the nuclear program would increase the already high unemployment rate.

In March, 1977, the government announced continued support for atomic technology research, including a plutonium-based fast-breeder reactor; but soon thereafter it froze research funds until Parliament

expressed its views. Schmidt was worried that, by voting against the nuclear program, a number of SPD deputies might bring down the government. In November, 1977, Schmidt and SPD leaders reached a compromise. New nuclear plant construction would be authorized only if coal-fired plants could not meet energy demands. Similarly, the FDP relaxed its opposition to the construction of new plants. The CDU/CSU maintained its support of the nuclear energy program.

But by 1977, nuclear power construction and planning had ground to a halt over numerous legal, political, environmental and safety considerations. The spotlight then centered on Gorleben, a small village in Lower Saxony, not far from the East German border, where a huge underground salt dome, extending to a depth of close to two miles, might be the repository of radioactive waste. The government sought to build a giant "nuclear park" there to include the sealed drums of waste and an installation to reprocess fuel. When this project was publicized, anti-nuclear groups again voiced strong opposition. In the spring of 1979, just as another protest crowd of 75,000—the largest ever in West Germany—gathered in Hanover, the news of the Three Mile Island nuclear accident near Harrisburg, Pennsylvania, made a deep impact on the public and on government leaders. Former Chancellor Willy Brandt, still SPD chairman, admitted that the accident would lead to a worldwide rethinking of the options on nuclear energy. In a German public opinion poll in April, 1979, 61 percent of the respondents favored a ban on construction or a total abandonment of nuclear power, as compared to 27 percent who favored such a ban two years earlier.⁵

On May 16, 1979, Minister President Albrecht of Lower Saxony, the losing CDU contender for the CDU/CSU Chancellor nominee post, after weighing the question for some time, announced the indefinite postponement of the nuclear reprocessing plant at Gorleben, less for technical than for political reasons. Even though the CDU had not opposed the project, Albrecht weighed the positions of the other parties in his state and concluded that to approve it would have been political suicide. He did state that the storage site question would remain open until the completion 18 months hence of further geological testing of the domes designed to determine their suitability as an ultimate safe storage facility.

Stymied in nuclear expansion and facing rising oil prices, the government made plans in the summer of 1979 to push hard for alternate energy sources and for conservation. It announced an expansion of domestic hard coal production through increased subsidies for coal that is buried unusually deep in the earth. It insisted that the greater use of coal-burning power plants required the installation of expensive pollution controls. It also promoted research on other ways to

⁵*Christian Science Monitor*, May 4, 1979.

derive energy from coal through gasification and liquefaction, and from the sun and geothermal sources.

As for the energy conservation program, any attempt to restrict the speed limit on the Autobahnen (superhighways) was soon abandoned in the face of the massive opposition of drivers who would not forget at election time which parties were responsible for limiting their cherished right to drive as fast as they pleased. The Minister of Economics, Count Otto Lambsdorf, knowing that for foreign policy reasons alone his country could not be the only Western country to fail to take economy measures, drummed up support for other small measures expected to add up to a five percent fuel saving in the first year. He announced heat limits in government buildings and in public housing; the application of tighter insulation standards in new housing construction; public education programs on conservation; the increased use of car pools using insurance and tax incentives; and wider utilization of nonpetroleum-based forms of energy.

ECONOMIC AFFAIRS

Another key issue in the 1980 election is the government's economic policy. Ever since Schmidt was reelected Chancellor in 1976 he has been under pressure by the United States and other industrial countries to spur economic growth in the Federal Republic as a way of pulling weaker European economies out of their recession. Foreign leaders in effect told Schmidt that Germany should tolerate a higher rate of inflation and import more goods from abroad, which in turn will help sagging European economies already burdened by a high rate of inflation and massive payment deficits. Schmidt reacted negatively to this pressure, fearing a repetition of the disastrous German inflation of the 1920's. Yet he made some concessions: in September, 1977, his government adopted a modest package of measures, including a tax cut for individuals and businesses that was expected to pump an extra \$5 billion into the economy. He did not have to fear inflation, which stood at 4 percent, the lowest among the Common Market countries, or the 4.4 percent rate of unemployment, totaling about 1 million persons, a rate high by German standards, but politically manageable. He did not need to worry about a \$3 billion surplus of exports over imports. Since West Germany balanced its trade account with the oil-exporting nations, it has boasted one of the strongest currencies in the world.

In February, 1978, the United States Secretary of the Treasury, Michael Blumenthal, renewed United States pressure on Schmidt to increase West Germany's growth rate at a target higher than 3.5 percent (in

1977 it was only 2.4 percent), but Schmidt retorted that the economy was already stretched to the limit and that further expansion would cause more inflation and have little impact on business in other countries. As the German Chamber of Commerce and Industry put it: "Whoever asks West Germany to be a locomotive for the world economy just doesn't know our day-to-day situation."⁶

By the summer of 1978, Schmidt's stature on the diplomatic circuit had soared. At a Western economic summit conference held in Bonn, he received support from other chief executives for a policy of financial stability which, according to Schmidt, was more likely to revive economic growth and reduce unemployment in the West than increased pump-priming. In August, the German Cabinet adopted a program designed to implement the recommendation made at the Bonn meeting. It sought a rise in economic growth by one percent of gross national product through business stimulants like research grants, further tax reductions and higher children's allowances, expected to produce a stimulus of almost \$6 billion in 1979. In November, Parliament increased the package to \$7.8 billion, with revenue to come from a modest increase in the value-added tax.

If the economy remains as strong in 1980 as in 1979, Schmidt may reap a political dividend at the election. In 1979, inflation was not expected to rise above 3 percent, while unemployment dipped to less than 1 million, reaching 763,000 (or 3.3 percent) in June, a total lower than at any time since October, 1974, yet still far from the goal of full employment. Economic growth may reach 3.5 percent, although economists predict a slower growth rate for 1980 because rising oil prices are dampening growth throughout Europe, making it probable that foreign orders will go down. Moreover, as the German mark rises against the dollar, German goods will become less competitive on world markets. The Minister of Economics summarized the economic situation: "We are certainly not passing through a midlife crisis in Germany, but we must make every effort to keep fit."⁷

This effort includes the stimulation of long-term investments, the development of new technological processes and the retraining of the unemployed. And it envisages a growth in consumer spending as foreign trade declines in importance. Whether that effort will be successful and whether that trend will take place

(Continued on page 182)

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⁶*The New York Times*, February 14, 1978.

⁷*Ibid.*, May 23, 1979.

"Party politics aside, Greece enters the 1980's facing two serious problems: the economic challenge of the EEC and her relations with Turkey."

Greece After Dictatorship

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THE seven-year dictatorship of the egregious Greek Colonels disintegrated ignominiously in July, 1974, under the pressure of the Cyprus crisis it had helped bring about. Its collapse mellowed Greek political life considerably and brought about the kind of change that, in light of Greek experience, no political observer would have predicted. The transition from dictatorship to parliamentary rule was accompanied by a transpolitical unity among a people whose politics were a byword for uncertainty. Within a year of the junta's collapse, the Greek Communist party, illegal since 1947, was legalized; the first free elections in a decade were impeccably conducted; the controversial issue of the monarchy was resolved by abolishing it after a popular referendum; a new constitution for a parliamentary democratic republic was put into effect; the Greek armed forces, without their die-hard junta officers, were remolded into an effective war machine; and the principal organizers of the April 21, 1967, coup d'état, with those of their subordinates who were responsible for torture, were on their way to jail.¹

The collapse of the Dimitrios Ioannides junta, it is true, occurred under extraordinary circumstances. It resulted from Greece's intervention against the government of Archbishop Makarios of Cyprus, an event that precipitated the Turkish invasion of the island.² Seeing the country dragged into the grave that strongman Ioannides had dug for the Cypriot President, Greek military leaders refused any more orders from him and demanded the restoration of civilian rule.³ General Phaidon Ghizikis, the nominal Greek President, summoned leading Greek politicians to an emergency meeting with the Chiefs of Staff on July 23, and

¹The only major issue arising from the dictatorship not brought before the courts concerns Greek involvement in the 1974 Cyprus coup. Legal proceedings have been indefinitely suspended by the government on grounds of national security.

²See my "The Problem of Cyprus," *Current History*, vol. 70, no. 412 (January, 1976), pp. 18ff.

³For details see Stavros Psycharis, *Ta Paraskinia tis Allayis* (Athens: Papazisis, 1975), *passim* and Laurence Stern, *The Wrong Horse* (New York: Times Books, 1977), pp. 123-124.

⁴See Psycharis, *op. cit.*, pp. 158-163 and pp. 184-195 for Averoff's own account.

⁵Plans for an insurrection by such officers were preempted in February, 1975.

announced the regime's decision to relinquish power. During this meeting, it was decided to ask Panayotis Kanellopoulos, Greek Prime Minister at the time of the 1967 coup, to form a government of national unity. But at the urging of former Foreign Minister Evangelos Averoff-Tossizza, this decision did not materialize. During a subsequent meeting between the military and Averoff, it was decided that the responsibility for forming a government should be given to Konstantinos Karamanlis, another former Prime Minister.⁴ Karamanlis, who had been living in Paris in self-imposed exile since 1963 (after losing the general election of that year), arrived the next day and undertook the Herculean task of putting the country back on its feet.

The danger of war with Turkey was, no doubt, one of the main reasons for the orderly and peaceful transition and especially for the lack of reaction from recalcitrant junta members loyal to Ioannides.⁵ Another was Karamanlis himself. His prestige among the Greek people and his cautious and responsible handling of the crisis, especially during the critical first few months, provided stability and limited political polarization to a minimum.

Still, Karamanlis's job would have been untenable were it not for the maturity of the Greek people, reflected in their remarkable—by older standards—sense of political tolerance, moderation and responsibility. The issue of integrating the Communist left into the political life of the country, for example, had been a source of constant political instability in post-World War II Greece and had stimulated paroxysms of extremism from the ruling right. The bogus specter of a "Communist takeover" was, in fact, the pretext used by the usurpers of power in 1967. Nonetheless, in September, 1974, the legalization of the Communists was accepted as a prerequisite if Greece were to establish a viable parliamentary polity.

Another potentially divisive issue was the future of the monarchy, whose role had disrupted Greek politics since the last century. Its abolition in favor of a republic in the December, 1974, referendum, was accepted as the will of the majority. A similar attitude also prevailed the month before, during the general elections that saw Karamanlis's reconstituted party, the New Democracy, win an overwhelming majority.

And manners and mores in the constituent assembly stood in sharp contrast to earlier days, when fistfights and vulgarities were not uncommon.

The deeper causes of this qualitative improvement in Greek political life must be sought in the seven-year experience of military rule. Aside from the extremists on the right, who cheered as the tanks rolled into Athens, many Greeks had accepted the 1967 army takeover as a panacea for the political instability of the previous two years. The majority, though heartily disliking military rule, became resigned to it and did nothing to undermine it. Were it not for the Cyprus disaster, the Greek Colonels would still be enthroned, all assertions to the contrary notwithstanding.⁶ But the collapse of the dictatorship disclosed the extent to which the incompetency of the military had mortgaged the country's future. The chaotic mobilization of July 20, 1974, revealed that Greece was exposed to external military blackmail. In Cyprus, during the Turkish invasion, Greek arms were humiliated and Greek Cypriots suffered death and destruction. At home, the police state had penetrated all aspects of Greek life, using torture as an institutional practice. And the economy had been reduced to chaos.

All these revelations shocked most Greeks. Even the leadership of the respectable right had to finally acknowledge that the internal threat to the country did not come exclusively from the left. Trying to suppress and control the left through the mechanism of "law and order, the right simply set the stage for the army takeover—and lost its own freedom in the process. The left, in turn, tacitly admitted that its failure to support the beleaguered forces of the center during the political crisis of the mid-1960's had contributed to the advent of the dictatorship. Seven years wiser and with a collective sense of guilt and common failure, the political forces in post-dictatorial Greece surfaced, resolving not to repeat their mistakes. They were determined, above all, to practice their politics within the limits of the parliamentary system and to accept the verdict of the majority as the only long-term guarantee of Greek freedom, economic welfare and security.

Thus party politics have been vigorously practiced in post-dictatorial Greece. And with the second general elections in November, 1977, the true strength of the political forces competing for power emerged.

When in September, 1974, the national unity government of Karamanlis decreed the resumption of

⁶The view, held mostly by the Greek left, that it was the student revolt of 1973 that precipitated the junta's collapse is an exaggeration, though a noble one. Indeed, the revolt's brutal suppression revealed the extremes to which the military was prepared to go to stay in power.

⁷As Helen Vlachos pointed out, this hard-core "will vote not so much for a party or a politician as against whatever they see or guess as dangerous." "After Karamanlis," *The New York Times* (Op-Ed), July 25, 1979.

party activity, five major political parties and groupings took part in the election.

The National Democratic Union stood on the extreme right, led by Petros Garoufalias, a former Defense Minister. The orthodox or traditional right was represented by Karamanlis's New Democracy party, essentially a regrouping of Karamanlis's previous party, the National Radical Union, with which he had governed from 1955 to 1963.

The center was represented by a coalition led by George Mavros, who was also serving as Foreign Minister in the national unity government. This consisted of the pre-coup party of the Center Union, led by Mavros and by a new grouping, the Movement of New Political Forces, led by prominent opponents of the dictatorship.

To the left of center was the Panhellenic Socialist Movement—PASOK—the party of Andreas Papandreou, a minister in his father's 1964 Center Union government. PASOK, a new party, grew out of two resistance organizations—the Democratic Defense and Papandreou's Panhellenic Liberation Movement—that had been active against the dictatorship. The far left was represented by another coalition, the United Left. The United Left consisted of the pre-coup United Democratic Left, led by the veteran politician Elias Eliou and by the Moscow-oriented Communist party of Greece—KKE (Exterior)—led by Charilaos Florakis, and the "Eurocommunist" Communist party of Greece—KKE (Interior)—led by Charalambos Drakopoulos. These were the two rival factions of the newly legalized Communist party of Greece, which had split in 1968.

The New Democracy party led by Karamanlis won an overwhelming victory in the 1974 elections, polling 54.5 percent of the votes. Under the system of reinforced proportional representation, which favored the larger parties, New Democracy obtained 220 seats, more than two-thirds of the total. The Center Union/New Forces coalition polled 20.42 percent and obtained 60 seats. Papandreou's PASOK came in third, with 13.58 percent, winning 12 seats, and the United Left, polling 9.45 percent, obtained 8 seats. The extreme right failed to poll the minimum required for a seat in Parliament.

The vote for Karamanlis was a vote of prudence. This was reflected in the widespread slogan, "Karamanlis or the tanks," coined by the left, but subtly promoted and exploited by Karamanlis. The widespread perception that he was the "indispensable man" convinced a crucial sector of the voters (most of whom had voted for the victorious Center Union in 1964) to add their weight to the hard-core rightist vote considered to be a solid 35 percent.⁷

The fairness of the elections provided no grounds for criticism. But the opposition maintained that the results mirrored the imbalance of an abnormal situ-

ation and did not represent true political opinion. This was reflected more accurately, it was argued, in the 69 percent vote that abolished the monarchy in the December, 1974, referendum, and in the victories of opposition candidates during the municipal elections and the parliamentary by-elections held in the spring of 1975.⁸ The results of the second general election, in November, 1977, gave some support to this claim. New Democracy's massive majority was reduced, and there was a significant rise in the strength of the left, mostly at the expense of the center. The extremes on both sides of the political spectrum also registered significant gains.

The party that benefited the most from the elections—the socialist PASOK—polled 25.33 percent of the vote, almost double its 1974 vote. This gave PASOK 93 seats, more than the total held by all opposition parties in 1974. PASOK's platform espoused a radical brand of populist socialism that included the socialization (as opposed to nationalization) of key industries (banking and credit, transportation, minerals, and export and import agencies), administrative decentralization, and worker self-management based on a system of cooperatives. Greece's planned accession to the EEC was opposed; instead, a loose association with it, with a reorientation towards third world markets, was advocated. The party's third world orientation was also reflected in its resolute opposition to Greece's political or military association with NATO and the United States.

PASOK's success made Papandreou the main opposition leader, replacing George Mavros, whose National Democratic Union—EDIK (the former Center Union/New Forces coalition)—suffered a massive defeat. Its share of the vote dropped by more than half, to 11.95 percent, and it won 15 seats, as opposed to 60 in 1974.⁹ Centrist voters, seeing no significant dif-

ference between EDIK and the ruling party except for EDIK's opposition to NATO, abandoned it for PASOK. Some votes may have also been lost to the Neo-Liberal grouping of Konstantinos Mitsotakis, which obtained two seats.

On the far left, the KKE (Exterior), running on an "anti-imperialist" platform, scored a big success, winning 9.36 percent of the vote that gave it 11 seats. The party's share of the vote was almost identical to that won by the entire United Left Alliance in 1974. Its erstwhile allies, the United Democratic Left and the KKE (Interior) had formed the Alliance of the Progressive and Left Wing forces with three other small leftist groupings. Advocating the democratic socialization of the country, its conditional entry into the EEC, and opposition to NATO and the United States, the Alliance was all but obliterated.

Karamanlis had not been under any particular pressure to call elections in 1977, a year ahead of the scheduled expiration of the 1974 Parliament.¹⁰ His government's domestic record was positive. Under his leadership, the army was depoliticized and the foundations for parliamentary rule were reestablished with the passage of the new Greek constitution.¹¹ The life of the average Greek had also improved considerably. The rate of inflation had been reduced from 30 percent to about 14 percent; average wages were doubled through a bold incomes policy; and there was full employment and booming consumer demand.¹² There was, finally, an atmosphere of unprecedented personal freedom.¹³

However, Greece was approaching a crucial period in her external relations. Since the precipitate return of Karamanlis in 1974, the thrust of his foreign policy had been to speed up Greece's full accession into the European Economic Community by the early 1980's rather than later in the decade, as had originally been planned. The Greek association agreement with the EEC was initiated by Karamanlis himself in 1961 but had been suspended in 1967 as a result of the coup. It was reactivated by Greece in December, 1974, and an application for full membership was made in June, 1975. Negotiations were expected to reach a critical and possibly final stage in 1978, an election year. In advancing the elections to 1977, Karamanlis wanted to free the issues as much as possible from the tensions of an election. But his primary concern was to renew his mandate through a new majority, to avoid the otherwise justifiable accusation that he railroaded Greece into the EEC.

Other pressing issues also demanded a new vote of confidence in the Karamanlis government. Greece was facing serious problems with Turkey over Turkish claims to rights on the eastern Aegean continental shelf and the airspace above it. The Greco-Turkish dispute in the Aegean posed the very serious danger of war; the dispute also prevented the normalization of

⁸See Richard Clogg, "Greece: The End of Consensus Politics?" *The World Today*, vol. 34, no. 5 (May, 1978), pp. 184-185.

⁹The strength of EDIK has subsequently dropped to four seats as a result of defections and expulsions.

¹⁰It has been observed, however, that had he not acted he might have lost more votes to the National Rally. Clogg, *op. cit.*, p. 190.

¹¹The constitution established a strong executive with a President elected by a two-thirds parliamentary majority for up to two five-year terms. The President, who is the Commander-in-Chief, can appoint and dismiss the Prime Minister and can dissolve Parliament. The constitution recognizes the independence of the judiciary and the inviolability of personal freedom under the law. The Opposition abstained from voting on it in protest against its "Gaullist" elements. The current President is Konstantinos Tsatsos, whose term expires in 1980.

¹²*Quarterly Economic Review of Greece*, 4th Quarter 1977 (London: The Economist Intelligence Unit, 1977), p. 4.

¹³See Paschalis M. Kitromilides, "Democratic Greece—Stumbling Toward Modernity," *Dissent*, Winter, 1978, p. 80.

Greek relations with NATO and the United States, strained in 1974. There was, finally, the ongoing tragedy of the Greek Cypriots for whom the Greek government felt at least a moral responsibility.

EXTERNAL RELATIONS

Greek efforts for full membership in the EEC were concluded successfully on December 21, 1978. In the early morning hours of that day, after a marathon of negotiations, proposals and counterproposals that lasted for 18 hours, the negotiators reached a final agreement. Under its terms, a five-year transitional period will apply for the abolition of tariffs, for the liberalization of capital movements, and for the harmonization of Greek agricultural policies with those of the Common Agricultural Policy (CAP) of the Community. Canned peaches, fresh tomatoes and tomato paste, however, are to be subjected to a seven-year transition. A maximum seven-year period will also apply to the free movement of labor, except for Greek workers already in the member countries who will receive full social benefits when Greece's membership becomes effective. This is planned for January, 1981, at the latest. Assistance from Community funds to the Greek economy, mostly to the agricultural sector, will amount to \$500 million annually, at the end of the five-year period.

The terms were a compromise between the Greek request for a maximum transitional period of five years for all areas, and the eight-year transition for agriculture and the free movement of labor and the five-year transition for industrial products sought by the EEC.

Negotiations had been arduous and tough. The Community was apprehensive, not over the Greek admission per se, but over its implications. By accepting Greece with her nine million, the EEC knew that it would soon accept Spain and Portugal (both of whom had applications pending), with their 40 million. It was feared that enlargement would weaken and dilute the Community. But political considerations prevailed, reflecting the Community's decision to link the poorer states of southern Europe gradually with the prosperous states in the north. The linkage, it is hoped, will insulate the fledgling democracies of the south from internal upheavals and will lead to a united, stronger Europe.

For political rather than economic reasons Karamanlis wants Greece to join the Community. He believes that a connection with a strong Europe on an equal basis will end Greece's dangerous isolation on the fringe of the continent. Membership will also consolidate Greek independence by freeing it from the

restraints of external (that is, American) patronage and will protect the country from external threats (essentially from Turkey), and from internal threats from either extreme of the political spectrum.¹⁴ Calling his country's accession to the EEC "the greatest milestone in the history of modern Greece," Karamanlis lobbied incessantly with the heads of the Nine to achieve it. It was a solemn but emotional Karamanlis who signed the treaty of accession in Athens on May 28, 1979. The Greek Parliament ratified the treaty on June 28, 1979.

Karamanlis's European vision is not shared by the two main opposition parties, PASOK and the KKE (Exterior), both of which boycotted the ceremony and the ratification debate in Parliament. The most articulate criticism comes from Papandreou, who argues that Greece is too small and marginal a country to be able to influence events in the EEC. Greek independence, therefore, will be diminished. Papandreou regards Karamanlis's vision of a strong Europe as a chimera, because of the preponderant role played by the United States in the Atlantic community.

Papandreou is not dogmatically opposed to the EEC, however. He supports a special agreement with the Community that would permit Greece to control her imports, especially foreign capital.

The accession is of momentous political import for the future of Greece. The country will benefit politically although not to the extent desired by Karamanlis. The Community will not (indeed cannot) offer any real protection against external threats or internal upheavals. Membership in the Community, however, will make such activities more difficult; but ultimately Greece must defend herself. On the economic side, the power of veto can allay many of the fears raised by Papandreou. Nonetheless, the success of the Greek accession to the Community will ultimately depend on the ability of the Greek economy to weather the transitional period. Greek industry, in particular, must raise its productivity and provide employment opportunities. And the government must ensure balanced regional development. Otherwise, the country runs the real risk of having a depopulated and depressed countryside. Greek farmers are worried about this prospect, a concern reflected in the unexpectedly high gains for PASOK in the countryside.

Greece's planned accession to the EEC has raised apprehensions in Turkey, which fears that Athens will use its position in the EEC to the detriment of Turkish interests and may ultimately veto a possible Turkish application for membership. Considering the moderation of Greek foreign policy, such action is unlikely. But it cannot be ruled out, because Greece may be tempted to copy current Turkish tactics that prevent the normalization of her relations with NATO unless bilateral Greco-Turkish differences in the Aegean are

¹⁴See his speech before Parliament on June 26, 1979, reprinted in *Vradyni* (Athens) June 27, 1979, and also his speech and debate with Papandreou before Parliament on January 16, 1979, in *ibid.*, January 17, 1979.

solved to Turkey's satisfaction. Turkey has used her veto power in the NATO Council to prevent the implementation of a special status agreement between Greece and NATO, negotiated in February, 1977. The agreement would have allowed Greece to retain national control of her forces, which she had withdrawn from NATO in August, 1974, but would have reintegrated them into the NATO command structure in case of an East-West conflict. Turkey objected unless Greece agreed to her demand for a bigger share of operational responsibility, on behalf of NATO, in the Aegean sea and airspace.

Greco-Turkish relations have been steadily deteriorating since the fall of 1973. But for the first time in almost a quarter of a century this deterioration was occurring independent of Cyprus. The mutually exclusive Greek and Turkish claims to the Aegean continental shelf, thought at the time to be rich in exploitable oil deposits, were the immediate causes of the new dispute. At issue is whether Greek islands close to Turkey possess their own continental shelf and therefore generate their own seabed rights, as Greece maintains, or are mere extensions (protuberances) on the Turkish continental shelf and therefore have no seabed rights outside their territorial waters, as Turkey maintains.¹⁵ Greece has adopted a status quo position and bases her case on the 1958 Convention on the Continental Shelf and on customary international law, according to which islands have their own continental shelf.

With a revisionist position, Turkey maintains that the Aegean constitutes a special case and that rights on the continental shelf should be delineated through bilateral talks. Thus Turkey has objected to Greek efforts to reach a binding settlement through the International Court of Justice. She has also pressed her case through unilateral acts, i.e., exploration permits were issued for the disputed water and twice, in 1974 and 1976, Turkey precipitated severe crises in the Aegean by sending a seismic survey ship to

conduct research on the disputed seabed. The refusal of the ICJ to issue an injunction against exploration in the disputed waters, requested by Greece during the 1976 crisis, and the subsequent ruling that the court lacked jurisdiction over the case, left Greece no option but to seek a bilateral settlement. The ongoing Greco-Turkish talks, however, have yet to produce results. And the elements for a renewed crisis remain.

Entwined with the sea dispute in the eastern Aegean is the conflict over air rights above it. Since 1952, under an agreement with the International Civil Aviation Organization (ICAO), Greece has operated the Athens Flight Information Region, which controls civil aviation in the Aegean airspace. Under the NATO integrated command structure, Greece was also responsible for defense in the Aegean sea and airspace until her withdrawal in August, 1974. In July, 1974, simultaneously with her invasion of Cyprus, Turkey invoked security reasons and unilaterally prohibited all aviation in Aegean airspace. This act was modified on August 6, by the issuance of International Notice to Airmen (NOTAM) 714,¹⁶ in which Turkey required all planes entering the eastern Aegean airspace to notify Turkish control stations of their position. In practice, Turkey thus set up an Air Defense Identification Zone in the eastern Aegean. Greece countered by issuing NOTAM 1157 declaring Aegean airspace unsafe for civil aviation, and by closing down the air corridors, which have remained closed. Traffic between Greece and Turkey must detour through Bulgaria.

In line with her revisionist policy, Turkey rejected a mediation offer from the ICAO.¹⁷ Subsequent bilateral negotiations between Greek and Turkish experts produced an agreement that would have established two early warning zones for military flights astride the Aegean Greco-Turkish border. But Turkey's highest decision-making body, the National Security Council, rejected the concept that Turkey should warn Greece about military flights over Western Anatolia. Mediation through NATO's General Alexander Haig failed to eliminate the impasse. And the whole issue has become nightmarishly complex, tied by Turkey to Greece's re-entry into NATO and by Greece to the future of United States bases in Greece.

The Greco-Turkish dispute in the Aegean is a geopolitical issue and only secondarily one of resources. Greece regards Turkey's revisionist policy as aiming at the establishment of an exclusive zone of

(Continued on page 184)

¹⁵As a result of Greece's decision to bring the dispute before the International Court of Justice (ICJ) and the U.N. Security Council, material on the issues can be found in: ICJ, *Application* (Greece vs. Turkey) August 10, 1976; ICJ, *Reports*, Interim Protection, Order of September 1976; ICJ, *Reports*, Judgment of December 19, 1978; "Observations of the Government of Turkey on the request by the Government of Greece for provisional measures of protection dated The Hague, August 10, 1976" (mimeo—not part of record); and U.N. Security Council Official Records, *Supplement*, (July-September, 1976).

¹⁶Although this NOTAM is listed as current by Turkey in its monthly NOTAM list, its text is unavailable. Several requests to Turkey by the Federal Aviation Administration (FAA) for a text have received no response. (Letter from the FAA to the author, March 2, 1979.)

¹⁷See the letter of Greek Premier Karamanlis to Turkish Premier Demirel of May 20, 1975. Released by the Embassy of Greece, Washington, D.C. (n.d.).

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"The limited Spanish economic recovery is losing some of its steam, and the increase in energy costs and the reduction in oil supplies add to the risk of a new recession, with its attendant social consequences."

Terrorism and Democratic Stability in Spain

BY STANLEY G. PAYNE

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SPAIN'S transition from dictatorship to full-scale constitutional democratic monarchy since the death of Generalissimo Francisco Franco in 1975 merits extensive applause. Yet only the formal political and constitutional transformation has been completed. Spain's civil structure is still threatened by the demands of regional nationalism, primarily Basque, spearheaded by the most lethal terrorist offensive in the Western world. At the same time, the foundations of the new democracy have been strengthened by the relative recovery of the Spanish economy in 1977-1978 and a reduction in the rate of inflation. Achievements have been far more impressive than failures, but the final balance in the transition has not yet been struck.

The first major phase of democratization was completed when parliamentary elections were held successfully in June, 1977. Spain's first democratic elections since 1936 allowed Prime Minister Adolfo Suárez to dominate the new Cortes (Parliament) with the sizable plurality—though not majority—gained by his new Union of the Democratic Center (UCD). The next 18 months were devoted primarily to the elaboration of the new constitution, a slow process that was not completed until December, 1978, when the document was approved by an overwhelming majority of the 68 percent of the electorate that participated in a special constitutional referendum.

In every respect, the new Spanish charter is a normative Western liberal democratic constitution. It guarantees all civil rights, separates church and state for the third time in Spanish history, provides for the full democratization of the political process and a completely elected Senate, establishes complete trade union independence, and contains provisions that permit the passage of regional autonomy statutes for various parts of Spain. The exact formulation of some procedures has been left to subsequent legislation, as in the case of regional autonomy, but the new charter provides a full framework of rights, guarantees and obligations that was hammered out in negotiation by Spain's four national political parties, the Center (UCD), the right, the Communists and the Socialists.

Approval of the constitution was nonetheless only a step in the regularization of democratic life. Major

electoral dilemmas remained, because the political opposition insisted that the 1977 elections should be considered provisional and should be repeated after the constitution was in place, and no elections had yet been held on the municipal level. Early in 1979, Prime Minister Suárez made the decision to proceed with new national elections first, because of two considerations: the governing UCD party, an amalgam of Christian Democrats, middle-class liberals and non-Marxist moderate Social Democrats, was stronger on the national and the small-town and rural level than it was in the larger cities, where the left would probably triumph. Second, a new victory on the national level could establish a stable parliamentary platform for government for four years, giving it an indisputable authority and democratic legitimacy to complete the final phases of political transformation.

On the national level, the general elections of March 3, 1979, were a contest between the four major parties: Suárez's UCD, the small parliamentary right, led by Manuel Fraga Iribarne, the large Socialist party (PSOE) of Felipe González, and the comparatively small Communist party (PCE) of Santiago Carrillo. Of the latter three, the Socialists, teetering between revolutionary marxism and reformist social democracy, had the highest hopes, expecting to replace the UCD as the largest political force in Spain.

This was not to be; the UCD repeated its victory of 1977, increasing its share of the popular vote from 34.7 percent in the first elections to 35.5 percent in 1979. The electoral plurality was translated into 167 parliamentary seats, only nine short of an absolute majority, a figure easily acquired by tactical alliances on most issues. This victory represented a major personal triumph for the handsome, photogenic 46-year-old Prime Minister, who won a solid base for another four years in office.

The major losers were the Socialists, who dropped from 33.7 percent in 1977 (including the vote of a splinter party later united with the PSOE) to 30.8 percent in 1979. Though they actually gained one parliamentary seat, the Socialists were forced to renounce any possibility of assuming the leading role in the immediate future.

The parliamentary right suffered even more severe-

ly, dropping from 8.3 percent of the vote in 1977 to 5.8 percent in 1979, and winning a mere 10 seats, 2.9 percent of the Parliament. For the time being, the right was eliminated as a parliamentary force in Spain, leaving the moderate conservatism of the UCD as the only real alternative to the left. By contrast, the Communist party was a modest winner. Carrillo's PCE has taken up the most advanced and adamant "Eurocommunist" position of any Western Communist party and was rewarded by an increase from 9.2 percent of the popular vote in 1977 to 10.9 percent in 1979, though with only 23 parliamentary seats (6.6 percent of the total).

The left scored a significant advance in the municipal elections held one month later, on April 3, 1979. Though the UCD elected more than twice as many municipal councillors than did the Socialists, its victories were limited to provincial capitals and smaller cities and towns. The Socialists and Communists swept the large cities and industrial areas and, since mayors are elected by their municipal councillors, combined to put leftists (mostly Socialists) in office as mayors of nearly all the large cities of Spain. In general, however, this reflected a fairly common tendency in West Europe for the electorate to vote leftist on local bread and butter issues and to return somewhat more conservative candidates on the national level.

No sooner had the left won this partial victory, however, than the Socialist party, its main beneficiary, was thrown into turmoil by the new party congress in Madrid on May 20, 1979. Approximately one year earlier, the party's attractive, moderate young secretary, Felipe González, had provoked considerable discontent by declaring that the party was not a "Marxist" organization pure and simple, since it was composed of both Marxist socialist and non-Marxist (essentially reformist social democratic) sectors. At the May, 1979, congress, revolutionary Marxist cadres placed heavy pressure on the party leadership to recognize Marxist doctrine officially as the theoretical basis of the party. González abruptly resigned, placing the party leadership in the hands of an administrative commission until the convening of a special congress in September, 1979, which would ultimately decide the issues involved.

The Spanish Socialist party was always a highly ambiguous political movement, teetering between reformism and revolutionism. A fairly large proportion of the 200,000 official members of the PSOE consider themselves Marxists, and the radicals enjoy extensive support among the party cadres. The electoral base of the party is something else, however; the five and a half million votes won by Socialist candidates in the last elections were drawn from a variety of sectors, including some of the most liberal elements of the middle classes. González himself is more a democrat

than a revolutionary and favors a mixed economy based in large part on autonomous, small-group societal socialism rather than state socialism. He realizes that the great majority of Spaniards reject marxism and do not want a revolution and that the PSOE must attract another half million relatively moderate lower- and middle-class voters in the next election to lead the government of Spain.

Although Spanish communism is still a small force, it is growing, and the Socialist schism enhances Communist prospects. The Communist trade unions, the Workers' Commissions (CCOO), elected 37.8 percent of the trade union representatives in Spain's 1978 shop floor trade union elections, compared with 31 percent for the Socialists. The Communists, though still weak in the general electorate, are already stronger than the Socialists among blue-collar workers and Carrillo has proposed an extension of the "united front" alliance in the large-city mayoral elections that would create a left bloc in broader political situations. The Socialists, in turn, fear the "Italianization" of the Spanish left, in which two divergent Socialist sectors would fall behind an expanded and hegemonic Communist party.

The left is at present incapable of presenting a major challenge to the government; but the explosive issue of regional nationalism remained unsolved and grew more dangerous in 1979. It is often difficult for foreigners to grasp the severity of the regionalist issue in Spain, since it is not generally understood that the structure of Spanish government was partially confederal for most of the peninsula's history and that centralism was a product of recent times, climaxing in the Franco regime. Regionalist demands have persistently come to the surface during moments of transition and crisis in the nineteenth and twentieth centuries, and more than a score of regionalist and regional nationalist parties are active in Spain today.

The intensity of regionalism varies from area to area. Today, it is a major problem only in the two highly modernized, exceptional regions of distinct culture and historic identity—Catalonia and the Basque country. Despite the existence of regional languages, the appeal of regionalism is considerably less in Galicia and the Valencian district. The attempt to create a "Canary nationalism" has thus far failed, despite several bloody incidents and undeniable resentment in the Canaries over local economic frustrations. The Andalusian autonomy movement, one branch of which has just elected five "Andalusian Socialists" to Parliament in opposition to the regular Socialist party, reflects the poverty and backwardness of southern Spain rather than a regional nationalism, because Andalusians share the common language and most of the culture and customs of the heartland of Spain.

In 1977, the Suárez government recognized the

need to extend some form of autonomy to the special regions, and as an initial gesture regional General Councils were created for Catalonia, the Basque country, Galicia and, later, the Valencian Levant. Regional leadership was to be the preliminary to possible autonomy legislation. For Catalonia, Josep Tarradellas, the elderly leader of the Catalan government-in-exile, returned to accept Madrid's offer of collaboration with no strings attached. As interim president of the official Catalan Council, Tarradellas has presided over an orderly process of transition attended by social and political calm that will probably soon produce a new system of broad but regulated Catalan regional autonomy.

In the Basque country no such calm prevailed. Jesús María de Leizaola, president of the Basque government-in-exile, refused to accept the legitimacy of a Spanish constitutional system and rejected the presidency of the Basque Council on terms other than those of virtual independence. Most Basque nationalists insist on very broad autonomy on their own terms, and the most extreme reject anything short of complete independence. The shrillness and extremism of Basque nationalism is, in fact, related to its somewhat limited political base. Nearly half the population of the three Basque provinces is composed of immigrants from other parts of Spain, and no more than one-fourth of the population is conversant with the Basque language. Basque nationalists thus lack the security and self-assurance of Catalanists, in whose region the great majority of the population speak Catalan and provide cross-party backing for Catalanism. Half the Basque voters cast their ballots for nationalist parties—a far higher proportion than in Catalonia—partly because the Socialists and UCD in the Basque country, unlike their counterparts in Catalonia, are tepid in their Basque identity. Moreover, in the “fourth Basque province,” Navarre, which nationalists insist is an integral part of *Euzkadi* (Basque-land), only seven percent of the voters supported Basque nationalism, and Navarrist sentiment in opposition to nationalism is strong.

Given the unwillingness of the Basque nationalists to cooperate in a compromise Catalan-style arrangement, in 1978 the Suárez government dragged its feet on further negotiations while the constitution was being completed. If it hoped that time would make the nationalists more tractable, it was disappointed. The overtly nationalist half of the Basque population has become increasingly polarized and radicalized, and ETA, the most extreme wing of Basque nationalism, has threatened the political stability of Spain itself.

ETA is an acronym standing for *Euzkadi ta Azkatasuna* (Basque-Land and Liberty), an organization that began as a radical offshoot from the conventional Basque Nationalist party youth about 1959. It turned from non-lethal direct action to the retaliatory

assassination of public officials in 1968, and its most spectacular achievement was to blow Franco's Prime Minister, Carrero Blanco, literally sky-high on a downtown Madrid street in December, 1975. The transition to Spanish democracy in 1976-1977 had no effect on ETA's activities save to stimulate them, because the reform of the police under democratic institutions made it all the harder to control terrorism, and a democratic system would presumably be easier to overthrow. Any constitutional arrangement short of independence for the Basque provinces and state socialism was rejected by the nominally Marxist ETA, which styled itself the “national liberation movement” of one of the most heavily industrialized single regions of southwest Europe.

1978 was a year of large-scale ETA offensives. At least 63 people were killed by terrorists in Spain that year—more than in any other Western country—and nearly all were victims of ETA. Approximately half were police, ETA's preferred symbolic victims, but several were high-ranking Spanish army officers. By the close of the year, the government had flooded the Basque provinces with 10,000 armed police; the rate of violence seemed to diminish in the first weeks of 1979 but soon zoomed upward. Most of the violence was concentrated in the Basque area; but there were also spectacular killings in Madrid. During the last weekend of May, 1979, a total of 12 people died at the hands of terrorists in Madrid, although they were perhaps not all casualties of ETA. However, three senior army officers murdered together that weekend were indeed ETA victims; the aim of the murders was to provoke the Spanish army to take action of its own. The *etarras* believe that either the government will capitulate before their terrorist onslaught or the army will seize power, in a reversion to “fascism” that would expose the nature of the Spanish government before its final collapse. By midsummer, bombings and bomb scares on the Costa del Sol, heartland of the tourist industry, were menacing tourism, Spain's most vital summer occupation.

If the government expected the Basque public to repudiate the terrorists in the elections of 1979, it was in for a shock. A new radical Basque nationalist electoral coalition allegedly associated with ETA emerged under the label Herri Batasuna (One Homeland) and gained one-third of the nationalist vote, threatening to vie with the ambiguous but more moderate Basque Nationalist party for Basque leadership.

Some progress seemed to be made in June, 1979, when the new leader of the Basque Nationalist party, Carlos Garaicoechea, was elected president of the official Basque Council. In the following weeks, however, progress on negotiating a mutually acceptable compromise over autonomy was slow, and the terrorist campaign accelerated.

Given the apparent intractability of the Basque problem and the injury that it is inflicting on Spain's political and economic structure, what did the government have to lose by giving in to Basque demands for virtual independence? The answer is—a lot. First of all, non-Basque Spaniards who do not want to be cut off from Spain comprise nearly half the population. Second, the nationalists also demand Navarre, which wants to remain part of Spain, though it also seeks provincial autonomy. Third, the Basque economy is still the most heavily industrialized in Spain and its entire financial and industrial structure is thoroughly and intimately interconnected with the rest of Spain. To cut this tie would create an economic nightmare both for Spain and for the Basque country.

Finally, there are limits to the quiescence of the army and the rightist forces. The latter are now weak and the military have been largely domesticated, adjusting themselves to new democratic political institutions. If there is one single issue that would unite the army and catapult it back into politics, it would be the "destruction of Spain" by separating off a quasi-independent Basque country.

A creative democratic compromise that would grant the three provinces (excluding Navarre) broad autonomy within the general constitutional structure of Spain is thus vital to the economic system of the peninsula, including that of the Basques themselves, and to the democratic stability and the future of Spanish government. Faced with this serious problem, Suárez himself assumed the role of expeditor, taking charge of the negotiation process by the beginning of July, 1979. Thus by early summer the situation finally began to improve, and the possibility of an effective compromise seemed more likely than it did the previous year.

ECONOMIC RECOVERY

In happy contrast to the deterioration, if only temporary, of the Basque problem, the performance of the Spanish economy during the democratic transition has proved stronger than most people expected three years ago. In 1976, it was often said that Spain's democratic political transitions occur during the worst possible economic crises, for the Second Republic in 1931 coincided with the trough of the Great Depression, while the new liberalization was occurring in the aftermath of the 1973 recession, which threatened to become much more severe in Spain.

In 1975, even before the death of Franco, the Spanish trade deficit had suddenly become the worst among major countries and in 1976, the current account deficit reached a record level of over \$4.3 billion. Spanish capital was being illegally transferred out of the country in record amounts, and new foreign investment in Spain, a major factor in the boom of the 1960's and early 1970's, was drying up. Added to this

was a massive 26 percent inflation rate in 1977 and huge wage increases that greatly raised the operating costs of industry. By 1977, the unemployment rate in Spain was nearly seven percent, the highest in two decades. Altogether, the country's gross national product (GNP) grew only 2.4 percent in 1977 (leaving it 26th in the world in per capita income, just behind Italy and Israel); in the following year, Spain lost its tenth-place ranking among world industrial powers, overtaken by Brazil and East Germany.

Recovery was stimulated by the 22 percent devaluation of the peseta in July, 1977, dramatically improving Spain's export position. International sales shot upward for the remainder of that year, increasing 13 percent in real terms for 1977 over 1976. Exports continued strong for the first months of 1978, then began to slacken somewhat by mid-1978 under the pressure of increasing inflation at home and a further rise in Spanish labor costs. The tourist industry, however, remained strong, helping Spain to expand her foreign currency reserves rapidly to a figure of \$8.5 billion. Within a year after the devaluation, the peseta reemerged as a "strong currency," revaluating against all major currencies and regaining nearly all the exchange power originally lost to the declining dollar.

Nonetheless, severe structural, financial and social problems remain. Production has declined drastically in formerly key sectors like metallurgy, shipbuilding and housing. Domestic investment virtually dried up in 1976-1978 and has not returned to any degree. Credit has been very tight, and many small firms have been driven to bankruptcy while some of the largest industrial concerns have undergone drastic reorganization and retrenchment. Large wage settlements and further improvement in fringe benefits have pushed labor costs even higher, and it is doubtful that much cheap labor remains in Spain. The earlier expansion of Spanish industry was due to massive capital investments and comparatively lower labor costs. Only limited gains were made in worker productivity and (according to the American Productivity Center) Spanish worker productivity in 1977 was by far the lowest of any industrialized West European economy, scarcely 60 percent of Italy's productivity. Inflation was reduced to an annual rate of 14 percent during the first half of 1979; nonetheless, the cumulative high level of increase and the natural revaluation of the peseta reduced the competitiveness index of Spanish exports from a high of 103.5 in July, 1977, to 79.5 by May, 1979, placing the trade balance again in jeopardy.

Once more, as in Franco's last years, stimulus is provided by tourism and the return of foreign investment. After several lean years, foreign investment doubled in 1978 over 1977 and seems on its way to doubling once more in 1979. In view of the negative features of Spain's economy, why are foreign in-

vestors, led by the United States and West Germany, once more finding Spain so attractive? The answer of course lies in apparent marginal advantage. Although Spain is no longer so promising an area as she was in 1965 or 1970, alternative regions of the world are even less promising. By comparison, the relative political stability, the semi-consensus, favorable government climate and the average-priced (if increasingly expensive and absentee-prone) labor force still seem attractive. The most important new export industry is the automobile industry, led by multinational firms. Ford's Spanish factory near Valencia exported nearly one billion dollars worth of cars last year, and General Motors has just completed one of the most massive international investments in history in a new factory at Zaragoza, to be geared almost exclusively to the export market. Spain is now the world's seventh largest automobile exporter.

The future of the Spanish economy is thus potentially promising, yet in fact ambiguous. Production costs have still not risen out of control; with further discipline and belt-tightening, further expansion of the country's industrial structure and a reduction of the high rate of unemployment are within reach, though far from guaranteed.

ENERGY POLICY AND PROBLEMS

For Spain, and for most of the industrial world, prospects have been clouded by the new round of oil price increases. The great industrial expansion of 1960-1973 relied disproportionately on increasing oil imports, which rose from 31 percent of Spain's primary energy consumption in 1960 to 65 percent of the energy consumption of her much larger economy by 1973. At least 98 percent of all Spanish oil is imported, but through its state petroleum monopoly the government kept Spanish retail prices well below the West European average as a spur to further economic growth, a policy that continued even after the first big round of the Organization of Petroleum Exporting Countries (OPEC) price increases in 1973.

In the wake of the first oil crisis, the Spanish government made more of an effort to diversify its energy resources. Domestic hydroelectric production, which had made significant improvements under Franco, received further attention, and an attempt was made substantially to increase the importation of natural gas from Algeria. Nuclear power was already under development, and plans were adopted to expand nuclear production greatly, with the goal of supplying 23 percent of the nation's energy from nuclear power by 1985 while reducing the nation's dependence on oil to about 44 percent of its total energy consumption—a projected shrinkage of approximately one-third.

Energy policy under the democratic monarchy has followed the same general direction but has been

hampered by the recession of the mid-1970's and the uncertainties resulting from rapid political and social change. Despite several changes of emphasis since 1975, the basic decision to expand nuclear power rapidly has not been altered. Recent developments have spurred a "nuclear debate" in Spain, though it is not so intense as the debates in the United States, Sweden and several other countries. Spain's first nuclear power reactor went into service at Zorita de los Canes in Guadalajara province northeast of Madrid in 1969. Its ten years of operation place it second only to the Trino plant near Turin in hours of service among West European nuclear facilities, thus far without notable mishap, a fact strongly emphasized by Spanish proponents of nuclear power. Two other nuclear plants are now in service, one in Burgos province and the other near Tarragona, southwest of Barcelona. A total of 14 more are scheduled for completion during the 1980's, with the goal of producing well over half of Spain's electricity by means of nuclear power by 1989.

Alternate sources of energy remain highly questionable. Spain has virtually no domestic oil reserves, and one government estimate made earlier in 1979 calculated that by 1985 the cost per unit production of energy would be .80 peseta for nuclear power, 1.36 pesetas for coal and 3.18 for petroleum (before the main 1979 price increase). Coal mines, mainly in the northwest, produce 17 million tons of coal per year, but Spanish coal is of low quality and output is declining. Health authorities estimate that the high level of pollution sometimes produced by burning low-grade Spanish coal results in approximately 25 deaths and at least 60,000 cases of illness per year, not counting the health hazards and the many cases of silicosis contracted by Spanish miners. Given the low quality and the limited reserves, not much more can be expected from domestic coal production.

Solar energy might seem more promising in one of the two or three sunniest industrialized countries in the world, but this alternative is still almost entirely undeveloped. However, the new Center for Energy Studies in sun-drenched Almería on the southern coast has received a major budget increase for the development of plans for solar production.

The Franco regime's expansion of hydroelectric facilities did not exhaust Spain's potential in this direction, but major investment in new dam projects is not a reliable source of production because of the extreme variation in Spanish rainfall.

(Continued on page 182)

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"In spite of the political turmoil [in Italy], the years 1978-1979 were positive years for Italy's economy," writes this specialist. Nevertheless, he notes that "the Italians are apparently finding it very difficult to adapt to a life-style that should emphasize conservation and parsimony."

Order or Chaos in Italy?

BY PELLEGRINO NAZZARO

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ON the morning of March 16, 1978, the president of the Christian Democratic party, Aldo Moro, was kidnapped by a commando of the Red Brigades. This was the day that the Italian Chamber of Deputies was going to ratify the agreement among the democratic parties—Moro's Christian Democrats (DC), the Communists (PCI), the Socialists (PSI), the Social Democrats (PSDI) and the Republicans (PRI)—for the formation of a new parliamentary majority (*Parliamentary Programmatic Majority*).

Moro was the major architect of this majority, which admitted the Communists into the decision-making process on issues of major importance and thus allowed them to support the one-party government of Giulio Andreotti by means of an abstention vote in the Parliament. Fifty-four days after the kidnapping, Moro's bullet-ridden body was found in a red Renault parked on the Via Caetani in the very center of the city of Rome.

Reflecting on the tragic event, Gianni Baget Bozzi, theologian and historian of the Christian Democratic party, wrote:

Since the execution of Aldo Moro, there has been a year of unsuccessful inquiry to apprehend the culprits. Also it has been a year of meaningless experience for the political parties of Italy, for the whole nation and also for the strategy of terrorism of the Red Brigades.¹

What did the physical and political presence of Aldo Moro mean to the parties and to the country at large? His intuition that Italy needed a Parliamentary Programmatic Majority that would include the Communists was not only timely but also brought about a rediscovered national unity within the spirit of the Italian constitution. For years, Moro had envisaged the day when an area of political consensus would be

needed to overcome the differences that were dividing and polarizing the Italians.

Moro was one of the few Italian politicians to understand the results of the June, 1976, national elections and the subsequent mood of the people. After the June election, the nation was looking for a political system that would include the working masses, regardless of their ideological differences.

The Christian Democratic party had controlled the government for 30 years. After the elections, it was necessary to reexamine national priorities, giving more emphasis to urgent social and economic problems than to ideological differences that created head-on confrontations with the Communists. By the same token, the Communists had to reassure large segments of the Italian population that they would respect Italian democracy, as they had promised.

Indeed, after they launched their appeal for a Historic Compromise, the Communists demonstrated goodwill and made positive efforts to gain the confidence of the Italian people; witness initiatives to ease their Marxist-Leninist stands, including an exchange of letters with the Catholic Bishop of Ivrea.²

The Communists also took part in an extensive debate on the issue of Eurocommunism. In the report delivered to the Central Committee of the party on January 6, 1978, Enrico Berlinguer, secretary of the Communist party, declared that

if by Eurocommunism one implies a new leading center of a new international or supernational organizational center among certain West European Communist parties, the term is senseless, since no such center exists nor do we intend to create it. . . . But essential features common to some West European parties have emerged, and it is to this phenomenon that the term *Eurocommunism* refers.³

Clearly, the Communists regarded Eurocommunism as a combination of features, models and strategies whose feasibility in Italy should not be underestimated. They also saw in Eurocommunism an instrument for developing a new relationship between political democracy and social transformation.

In the aftermath of the Helsinki Treaty, the Communists also cooperated on problems like détente,

¹Quoted by Remo Guerrini, "Moro un anno senza verità," *Epoca*, March 17, 1979, pp. 6-12.

²"Il Carteggio Bettazzi-Berlinguer" in *Aggiornamenti Sociali*, November 11, 1977, pp. 649-664; "The Italian Communists" in *Foreign Bulletin of the PCI*, no. 4, October-December, 1977, pp. 23-39.

³Enrico Berlinguer, "An Emergency Government to Tackle a Crisis of Exceptional Gravity" in *Foreign Bulletin of the PCI*, no. 1, January-March, 1978, pp. 86-91.

international tensions, hunger and food supplies, energy and the difficulties of the third and fourth worlds. Thus the Italian Communists took an aggressive and independent position at the Belgrade Conference (October, 1977, to March, 1978) where decisions were made to seek:

- 1) economic and scientific cooperation between Communists and non-Communist countries;
- 2) a peaceful solution of all controversies that might develop in the area of the Mediterranean;
- 3) participation at the Conference of Madrid scheduled for 1980.

Although the Conference of Belgrade did not issue any international treaty, it was, indeed, a declaration of intent aimed at opening a new era of international cooperation and relations, regardless of the ideological postulates governing the participating nations.

Finally, in their most important decision in the last 30 years, the Communists gave support to the one-party government of Premier Giulio Andreotti. In his speech before the Chamber of Deputies on the motion of confidence (March 16, 1978), Berlinguer emphasized the fact that the Communists

intend to work within this majority with the utmost loyalty and consistence, exercising a constant action of support, but also of stimulus and control to see that the goals of the line and the program agreed upon are achieved.⁴

In his subsequent program speech before the Italian Parliament, Andreotti stated emphatically that although it would not overlook fundamental issues (like the economic recovery of the nation, social problems and the reform of the educational system), the government would give priority to the problems of law and order in the new atmosphere of the parliamentary programmatic majority. He committed his government to a full-scale mobilization of all national forces and energies to fight the terrorism and crime that were becoming commonplace in Italy. Andreotti promised to introduce measures to resolve economic and social imbalances, especially the unemployment of youth. But, the main theme of his speech focused on 1) a relentless fight against terrorism and common crime; 2) the containment of public spending through a policy of economic austerity; 3) the implementation of constitutional laws to meet the rights and expectations of the Italian citizens.⁵

In spite of an apparently acceptable multiparty agreement, Berlinguer's speech in support of the

agreement could not escape the attention of the political experts:

The Christian Democratic opposition has prevented the crisis from ending with the formation of a government of national democratic unity, which means that the solution we considered and still consider the best suited to satisfy the country's urgent needs has not been reached. On the contrary, a government has been formed, whose composition leaves the Communists severely doubtful about its efficiency. Therefore we cannot but express serious reservations on the whole matter. (Italics mine)⁶

The Communists wanted active and direct participation in the Cabinet of the Andreotti government. Subsequently, the Christian Democratic opposition to the Communist request became more vocal and better organized. In fact, although opposition to the direct participation of the Communists in the Cabinet came from the entire spectrum of the party, ideologically, opposition came from three groups in the party: the Cotta-Del Noce-Gonella group; the Communion and Liberation; and the League. In synthesis, all three feared the hegemony of the Communist party in Italy, seeing in Communist ideology an unbridgeable gap in terms of human values, society, institutions and freedom. Thus they opposed collaboration and compromise with the Communists on fundamental issues involving democracy, social institutions and moral values.⁷

On October 14, 1978, Giovanni Galloni, the Christian Democratic majority leader in the Chamber of Deputies, reasserted the party's refusal to allow the direct participation of the Communists in the Cabinet. In an interview for the weekly magazine *EPOCA*, he declared that the participation of the Communists at Cabinet level ought to be regarded not as an ideological problem but as a political and practical issue. Such participation, continued Galloni, would have widespread negative consequences nationally and internationally. Nationally, it would create a climate of polarization, and would eventually divide the Christian Democrats, destroying the apparent unity of the party. Any split would weaken the only party able to act as a political barrier to the Communists. Internationally, it would isolate Italy not only from other West European countries, but also from the collaboration and support of the United States.

Finally, Galloni noted that the Christian Democrats had never asked the Communists to join the Parliamentary Programmatic Majority as an act of "favor." The Communists knew that in giving their support they were fulfilling a historic mission as the second largest political party in the country. In the state of emergency, the Communists could not betray their rank and file who asked the party to respond with vigor to terrorism and common crime. Italy's crisis required the cooperation of all political parties.

⁴Enrico Berlinguer, "Unity of All Democratic Forces in Defence of the Republican Institutions and State," *Foreign Bulletin of the PCI*, no. 1, January-March, 1978, pp. 92-96.

⁵For the Andreotti programmatic speech, see *Italdoc*, June, 1978, no. 1, pp. 2-4.

⁶See Berlinguer, "Unity of All Democratic Forces," p. 95.

⁷V. Possenti, "L'Impegno dei Cristiani nella Società Italiana," *Aggiornamenti Sociali*, no. 4, April, 1978, pp. 245-262.

Once the Communists began to ask for a Cabinet seat, the Andreotti government was doomed.

From a political standpoint, Aldo Moro's murder left the Christian Democrats without positive political leadership. After his death, the party became fragmented, because no faction could provide a leader of Moro's caliber. When the Christian Democrats subsequently rejected the Communist request for direct participation in the Cabinet, the ground was prepared for a national election.

For their part, in 1978 the Communists suffered their worst ideological and political stalemate. In insistently seeking Cabinet positions, they alienated segments of their supporters, who either lost confidence in the party's ideological postulates or joined the new extremist groups on the left like the Radicals (PR), the Proletarian Democracy (DP), or the Democratic party of Proletarian Unity (PDUP).

In February, 1979, the President of the Republic, Sandro Pertini (elected in July, 1978, to replace Giovanni Leone who resigned in the midst of scandals of alleged improprieties on June 15, 1978)⁸—asked the President of the Republican party, Ugo La Malfa, to form a government. The mandate to La Malfa was an event of historical importance; since 1945, no politician outside the Christian Democratic party had been given the mandate to form a Cabinet. On March 2, La Malfa informed President Pertini that he was unable to form a government. (He subsequently suffered a stroke that prematurely ended his life and a brilliant political career.)

Subsequently, on April 1, 1979, a triparty government (DC+PRI+PSDI) that Andreotti had tried to form to replace his one-party Christian Democratic government was defeated in the Senate by 1 vote (150 against and 149 in favor). Thus Parliament was dissolved and new national elections were scheduled for June 3-4, 1979.

The dissolution of the Parliament in April gave impetus to one of the most uncertain political campaigns in the history of Italy. The Christian Democrats and the Communists took extreme positions. The Socialist party, caught in between, based its platform on the slogan: "The Socialists as a third force that will break the hegemony of DC-PCI."

In this atmosphere of tension, even the Red Brigades opened a political campaign, bombing the headquarters of the Christian Democratic party in several major cities of Italy. Called in emergency session, Parliament approved a motion calling for the use of the Italian army to protect the election process and the voters on June 3-4.

THE ELECTION

The June 3-4 general election saw no real winner. But there was a loser: the Communist party. In line

⁸*U.S. News and World Report*, June 4, 1979, p. 47.

with the predictions made by *DEMOSKOPEA* (a poll-taking institution), the Communists lost 4.0 percent of the votes it won in 1976 (dropping from 34.4 percent in 1976 to 30.4 percent in 1979). The Christian Democrats, who hoped to win 40 percent of the votes, held to their 38 percent (they had won 38.7 percent in 1976 and 38.3 percent in 1979). The Socialists, who had campaigned on the issue of stopping the hegemony of the DC-PCI parties, gained only 0.2 percent (from 9.6 percent in 1976 to 9.8 percent in 1979). The largest gains were scored by the ultra-leftist parties, especially the Radicals, who went from 1.1 percent in 1976 to 3.4 percent in 1979. The other parties maintained their positions: PSDI, 3.8 percent; PRI, 3.0 percent; PLI, 1.9 percent; MSI, 5.3 percent.

The Communists lost 19 seats in the Chamber of Deputies; the Christian Democrats lost one seat. The latter, with 262 seats in the 630-seat Chamber of Deputies, are still 54 seats short of a majority. Two coalitions seem feasible: 1) an alliance between the Christian Democrats and the third-place party—the Socialists—with 62 seats; 2) an alliance with the Socialists, the Social Democrats and the Republicans, which would give the majority 360 deputies against 270 for the Communists and all other parties combined. In the aftermath of the election, the Communists repeated their demand for full participation in the government.

The Communists suffered losses in the industrialized north, especially in Turin, where the party lost 8.0 percent of its previous support, and in the south, especially in Naples, where the party lost nearly 8.0 percent of its previous support. Since Communist losses were heavier in the Chamber of Deputies, for which the minimum voting age is 18, it is likely that Italian youth were disenchanted with the Communist political line of the past two years. No matter what the results, Italy is still a difficult nation to govern.

THE ECONOMY

In spite of the political turmoil the years 1978-1979 were positive years for Italy's economy. In 1978, the nation experienced an economic revival analogous to the "economic boom" of the 1960's. Inflation in 1978 was only 12 percent, and in the first half of 1979 it tended to stabilize around 13-14 percent. The ISTAT (Italian Statistical Institute) reported that the 1978 gross national product (GNP) was \$265 billion. And, 1979 may be another profitable year for the Italian economy.

(Continued on page 183)

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"The stability of the Fifth Republic hinges on its ability to recapture the sense of cultural identity that most Frenchmen apparently once held for the Republic. This will require bold new economic readjustment to end scarcities and convincing efforts that political and social institutions and bureaucracies are not closed corporations."

France: A Political Culture in Readjustment

BY WILLIAM FRANCIS RYAN

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WITH the exception of the Third Republic, the government of the Fifth Republic of France has survived longer than any other French government since the Revolution. For half that period, the Republic has been governed without its creator, Charles de Gaulle. This suggests that the Fifth Republic's legitimacy has been accepted by a consensus of the French people who see it as a valid expression of their cultural past and present values. France has been greatly transformed. A stagnant society has been converted to a society of growth; economic interests are predominant in political decisions; and old ideologies and nationalisms seem to have passed away. Under the presidencies of Georges Pompidou (1968-1974) and Valéry Giscard d'Estaing (1974-), political trends have shown a bipolarization of moderate government, with opposition blocs peacefully competing for power. At the same time, the nation's stature in Europe and the world has been enhanced: France is the world's fifth leading industrial power, has one of the highest standards of living in the world and claims the nuclear capability to direct its own fate. These factors should be sources of satisfaction and pride for most Frenchmen.¹

But there are clouds. The memory of May, 1968, mars this harmonious picture; and ever since the energy crisis of 1973-1974, the nation's economy has slowed and its confidence has wavered. There have been demonstrations of discontent by persons directly touched by economic troubles and expressions of pessimism and ideological speculation that are cultural rather than economic in nature. As early as 1973, a prominent scholar of French society remarked

on "the political desert of the post-Gaullist period, the bleakness of public opinion, . . . [and the] disarray of traditional thinking."² And in 1978, the "new philosophers" were describing the present time in France as one of a soulless materialism and cultural barrenness.³

At the beginning of the 1980's, Fifth Republic France faces new political, economic and energy problems and, underlying all these, a basic question of cultural identity. This cultural identity—the Republic as France—is crucial for its continued legitimacy and stability. In order to see the Republic as expressive of their cultural past and current values, French men and women must have confidence in the soundness and effectiveness of French political and economic institutions. And they must believe that the work-a-day activity of government bureaucrats and economists will not stifle their expectations for the future. The alternative to this sense of confidence is a sense of *ennui*, a poor underpinning for a legitimate political culture.

The problem of cultural identity and legitimacy is not new for France. In 1848, as a period of prosperity ended in scarcities, the French (frustrated over a closed politico-economic order) were apparently bored with a system that lacked both a cultural past and a dream of the future, being neither a legitimate monarchy nor a Jacobin Republic. That regime was denied legitimacy and few mourned its passing. In 1979, the French look back at a period of prosperity that is currently confronted with new scarcities and is badly in need of readjustment. Whether the Republic can deal satisfactorily with the mix of scarcities, frustrations and cultural *ennui* is yet to be seen. But in view of the ten-year cycles between revolts in France, an examination of that mix is very much in order.

POLITICAL PROBLEMS

Despite the Fifth Republic's record of stability, its political and constitutional workings have many untested fragilities. The trend toward large blocs of the moderate center-right and left has been seen as a promise of future stability; nonetheless, the trend has yet to be translated into the practice of *alternation*

¹David Lawday, "La France libre? A Survey of France," *The Economist* (London), January 27-February 2, 1979, p. 3; *The OECD Observer*, no. 97, March, 1979, pp. 22-26; "International Comparisons," *OECD Economic Surveys: France*, December, 1977, following p. 59.

²Michel Crozier, *The Stalled Society* (New York: Viking, 1973), p. 135.

³Pierre de Boisdeffre, "A propos des 'nouveaux philosophes,'" *Revue générale pour l'humanisme des temps nouveaux*, June-July, 1979, p. 4; Philippe Cruysmans, "La grande misère de l'art contemporain," *ibid.*, no. 2, February, 1979, p. 38.

whereby today's opposition becomes tomorrow's majority. In the parliamentary elections of March, 1978, the left was defeated once again despite predictions of victory. The continued predominance of the center-right bloc is based in part on the nature of the Republic's constitution and in part on the bloc members' common opposition to the left.

The constitutional problem centers on the relationship between the President, armed with extensive powers (he appoints the Prime Minister, who need not be a member of the Assembly), and the National Assembly, which exists to approve, but not initiate, the government's programs. If an opposition assembly were elected, it could refuse all cooperation with the President and his programs and thereby produce a crisis. This would severely test the "Republican Monarchy," as Michel Debré has termed it, and calls to memory the *seize mai* crisis of 1877.⁴ At that time, the eventual resignation of the President helped to "make" a constitution that had been vague by giving supreme power to Parliament. A similar showdown under the Fifth Republic (in which constitutional powers are already defined) could break the constitution by forcing the President to surrender authority. This problem is central to the future of the Republic; sooner or later the system will be confronted by alternation. Giscard d'Estaing has expressed confidence that the constitution can accommodate alternating governments; faced with the possibility of a leftist assembly in March, 1978, he vowed to remain in office and face this prospective crisis.⁵

The fear of this crisis is only one of the reasons that holds the center-right majority parties together. More fundamental is the majority's historic opposition to the united left. In the event of a leftist victory in parliamentary elections, the Communists could not be denied the exercise of government power. Giscard's willingness to work with the left notwithstanding, most center-right parties are not convinced that the Communists are free of Moscow's influence or that they would respect either the constitution or the existing socioeconomic order in France.

Beyond the bonds of these common fears, there are

⁴Lawday, *op. cit.*, p. 4; Roy C. Macridis, *French Politics in Transition: The Years After De Gaulle* (Cambridge, Mass.: Winthrop, 1975), pp. 2-16, 131-135. François Bourricaud, "The Right in France Since 1945," *Comparative Politics*, October, 1977, p. 14.

⁵George A. Magnus, "The French Elections in 1978: Background and Outlook," *The World Today*, July, 1977, pp. 262-264.

⁶Magnus, *op. cit.*, p. 266; John R. Frears, "France after the Elections," *The World Today*, June, 1978, pp. 208-209; Bourricaud, *op. cit.*, p. 31.

⁷Lawday, *op. cit.*, pp. 7-8; Frears, *op. cit.*, p. 206.

⁸*Europe*, no. 214, July-August, 1979, pp. 4, 9; Magnus, *op. cit.*, pp. 262-264. Jacques Chirac, "France: Illusions, Temptations, Ambitions," *Foreign Affairs*, vol. 56, April, 1978, pp. 489-499.

wide differences among the policies and personalities of the center-right bloc. Giscard and his supporters in the Union pour la Démocratie française (UDF), which he formed in 1978, are less visceral than other parties in their anti-leftism. The President seeks to build an "advanced liberal society" and, faced with the possibility of the leftist victory in the March, 1978, Assembly elections, initiated discussions with Socialist leaders.⁶ The UDF also supports Giscard's Europeanism, his realistic reliance on the Atlantic Alliance and, thus far, the economic policies of Prime Minister Raymond Barre. But the UDF (with 137 seats) depends for support on the larger neo-Gaullist *Rassemblement pour la République* (RPR) (with 150 seats), headed by former Prime Minister Jacques Chirac.⁷ The RPR is critical of Giscard's Europeanism, holds closely to de Gaulle's suspicions of the Atlantic Alliance, is economically more conservative (*dirigiste*) and more adamant in its opposition to the left. The other parties of the majority, Giscard's old Independent Republicans and the center parties, are generally closer to the UDF than the RPR.

The future of the center-right coalition hinges on the growing dispute between Giscard and Chirac who, in addition to his leadership of the RPR, has his own base of power as the mayor of Paris. Chirac has threatened to part company with the majority to protest Giscard's domestic liberalism and his progressive European policies. He attempted, unsuccessfully, to turn the June vote for the European Parliament into a no-confidence referendum on Giscard and the government, a tactic that backfired as the UDF won 25 seats compared to the RPR's 15.⁸ If the RPR left the bloc, it would place the Gaullists in opposition for the first time. But it would also allow Chirac to reaffirm (or redefine) the Gaullist credo as he prepares to challenge Giscard for the presidency in 1981.

The members of the leftist bloc, consisting mainly of the Socialist party (PS) of François Mitterand and the Communist party (PCF) under Georges Marchais, have contributed to their own failure to capture either the presidency or a parliamentary majority over recent years. While the Communists have moderated their image since the mid-1960's, Mitterand has revived the once moribund Socialist party, which now is stronger than the PCF. Before this reversal of strength, the two parties agreed in June, 1972, to the *Programme Commun de Gouvernement*, which outlined common targets for nationalization and social legislation and opened dialogue on the issues of the Atlantic Alliance, France's nuclear force and the European Community. This coalition allowed the united left to collaborate against the center-right in the second round of national and local elections with impressive results, especially in local elections. The left captured 75 percent of larger (30,000) town

council seats in 1977 and won 54.6 percent of the vote in local elections in March, 1979.⁹ But similar victories on the national level have eluded the left, and despite predictions of victory, the left received a disappointing 49.4 percent of the vote in the March, 1978, Assembly elections.

Among the reasons for the failure in 1978 were disputes rising from the PCF's unilateral revision of the Common Program by expanding the list of industries and subsidiaries to be nationalized.¹⁰ In addition, the PCF's insistence on expanding social services and employment guarantees opened a public debate on the costs of the left's programs, which persuaded many moderates to turn to the majority's candidates in the second round. Still another reason for the defection of these moderates was the prospect of a constitutional confrontation between a leftist Assembly and the President. Despite Mitterand's assurances that he could work with Giscard, Georges Marchais flatly stated that the President would have little choice but to resign.¹¹

The PCF's spoiler role is based on historic and tactical grounds. The Communists have always been suspicious of Socialist tendencies toward reformism and their willingness to settle for a minimalist social program. A related concern was that the PCF, as the smaller party, would have little clout to prevent this minimalization. Mindful of the Popular Front's failure in 1936, the Communists are reluctant to play a government role unless they can be "the first party of the left" with a large majority.¹²

The divisions in the leftist union mark fundamental differences in doctrinal and historic positions. Although Marchais continues to uphold the 1976 renunciation of the "dictatorship of the proletariat" and to endorse the democratic path to socialism, he and Mitterand have spent the past year in recriminations over the March, 1978, election loss.¹³ While Communist intellectuals like Jean Elleinstein are pushing Marchais to embrace Eurocommunism and remove the doubts still surrounding PCF intentions, younger

Socialists, like Michel Rocard, are urging Mitterand to be more gracious about the Socialist majority in the union and to allay the Communists' fears of Socialist reformism.¹⁴

Recent electoral trends indicate the continuing growth of the Socialists as the leading party of the left. This raises Communist suspicions that the Socialists might again be tempted to join forces with the center as they did during the Fourth Republic. While not impossible, such a move would undoubtedly sacrifice the restored identity and membership of the Socialist party, and it is unlikely—especially without the specter of Stalinism that haunted the Fourth Republic. Nevertheless, until these suspicions can be alleviated, the goals of the Common Program will be stillborn, and the likelihood of a successful leftist bid of *alternation* will call for diplomacy and compromise.

One factor underlying the political stability of the Fifth Republic, which has deferred any severe testing of the system, has been the steady growth of the French economic "miracle" that began after World War II. After nearly 30 years of growth, however, the French economy is confronted with new difficulties. The 1973-1974 energy crisis produced foreign trade deficits and, since then, export revenues have barely kept pace with rising oil costs. This has slowed France's industrial growth rate from 5.5 percent in the early decade to 3.5 percent in early 1979. Consumer spending on domestic and on foreign goods has remained high and government outlays for social services and military costs have increased; at the same time, the inflation rate climbed to 10-11 percent by mid-1979. The sluggish rate of industrial growth and the closing and cutbacks of certain industrial firms have produced a growing unemployment rate which reached 6 percent (or 1.4 million jobless) as of March, 1979.¹⁵

After an initial policy of austerity and tight wage and price controls, Giscard appointed Raymond Barre as Prime Minister in 1976 to bring about a "convergence and readjustment" of the French economy. The Barre plan called for the partial abandonment of *dirigisme*, the traditional practice of government intervention and government direction of industry, and the adoption of a policy based in part on liberal economic principles. The liberal aspects of this plan called for the lifting of price controls, many in effect since 1946-1947, throughout the economy and allowing wages and prices to be set by free market forces. By August, 1978, this had been achieved. The less liberal (and actually traditionally *dirigiste*) approach was for the government to withdraw subsidies from outmoded industries and to offer incentives for investment in France's strongest industries. Consequent increases in production, it was hoped, would stabilize the franc, make France competitive on the world market, reduce unemployment and bring infla-

⁹William Adams, "L'Union de la Gauche: Looking Back on the French election," *Yale Review*, vol. 68, no. 1 (October, 1978), p. 2; Howard Machin and Vincent Wright, "The French Left under the Fifth Republic," *Comparative Politics*, October, 1977, p. 38; *The New York Times*, March 27, 1979, p. 3.

¹⁰Machin and Wright, *op. cit.*, pp. 60-61; Frears, *op. cit.*, p. 203.

¹¹Neil McInnes, *French Politics Today: The Future of the Fifth Republic*, no. 51 (Beverly Hills, CA: Sage), 1977, p. 31; Frears, *op. cit.*, p. 202; Adams, *op. cit.*, p. 5.

¹²Machin and Wright, *op. cit.*, p. 56.

¹³Adams, *op. cit.*, pp. 6, 9; Machin and Wright, *op. cit.*, pp. 50-51.

¹⁴*European Community*, no. 210, November-December, 1978, pp. 36-37; Machin and Wright, *op. cit.*, pp. 51, 58-59.

¹⁵U.S. Department of Commerce, *International Economic Indicators*, June, 1979, pp. 8-11, 21, 62, 84. *OECD Economic Outlook*, no. 24, December, 1978, pp. 85-91.

tion under control. Though there would be painful lapses before the workers laid off from a sick industry were reemployed by a stronger industry, the government was gambling that time was on its side. Though Barre's plans were to be completed within three years (by 1979), the presidential election would not be held until 1981.¹⁶

AUSTERITIES NECESSARY

This forced "restructuralization" of French industrial society was not without its austerities; industrial growth would be deliberately depressed so that it could be later increased with a more competitive edge. While a tight monetary policy was adopted and employers and workers were asked to make up a \$4-billion social security deficit, Frenchmen would have to sacrifice some of the prestige symbols of the French "miracle." Additional Concorde's were cancelled and plans for the Rhine-Rhone canal and the monorail between Charles de Gaulle and Orly Fields were shelved. Barre's plan called for hard decisions in the canceling of government subsidies that had propped up uncompetitive industries. For example, both the St.-Gobain-Pontau-Mousson industries and the Boussac Textile firm were forced to cut operations (the latter was later sold to a rival group) for lack of state aid as the government poured subsidies into more promising industries like electronics, aircraft, telecommunications, data processing, agricultural equipment and automobiles.

Perhaps the most politically volatile application of the "restructuralization" plan was the government's decision to force cutbacks in areas where outmoded technologies had turned capital-intensive industries into labor-intensive industries. The Lorraine steel industries of Sacilor-Sollac and Usinor, each of which lost \$750 million in 1977, were forced to reduce operations and cut back one-third of their labor force. This meant massive layoffs of more than 20,000 workers, a dislocation which the government tried to soften through a \$1.6 billion fund for early retirement and relocation incentives. Resulting hardships to the region were to be eased through a \$680 million Industrial Adaptation Fund that offers incentive subsidies to industries coming into the area. This policy of forced readjustment was not without some risk and evoked angry reaction. In late March, 1979, a demonstration of 60,000 workers protesting the Lorraine steel layoffs triggered the most violent confrontation seen in Paris since 1968. This and earlier outbreaks, like the confrontation in February in Longwy, where

workers stormed and occupied a television station, persuaded the government to postpone additional cutbacks.

Thus far, the benefits from the government's policy of readjustment have been disappointing. The results promised by 1979 were unrealistic and failed to take into consideration the possibility that increases in oil prices could cancel out domestic reforms. As it is, little time remains before the presidential election of 1981, and modifications will be necessary. This is not to say that there have been no improvements. On the positive side, the franc has been stabilized and trade imbalances have shown modest gains; the 14-billion franc deficit of 1977 was turned into a narrow 2.5-billion franc surplus in 1978. Elsewhere, the assistance to preferred industries has paid off, as in the case of the auto industry, where a 1977 deficit of \$217 million was converted into a billion dollar surplus in 1978.

But overshadowing these marginal gains, the problems of unemployment (1.4 million), coupled with inflation (near 11 percent), have persisted, and these problems could spell defeat for the government's program. Government figures have indicated that since early 1978 unemployment has gone up by 21 percent and the current growth rates could leave 1.7 million jobless by 1983. Although Barre predicted that there would be a time lag before trade and investment figures could effect an upturn in the job market, increasing incidents of labor unrest and the left's victories in local elections suggest a popular impatience with Barre's timetable. While the government has tried to reduce unemployment figures by offering the 1.8 million foreign workers a 10,000 franc bonus and free travel to leave France, there have been few takers, and the free labor policies of the European Economic Community (EEC) discourage stronger action in this area.

Labor's restiveness has worried the government. While local demonstrations have increased, membership in the two largest unions, the Communist-led CGT and the CFDT—already low with only 25 percent of France's 21 million workers—has been declining, and labor leaders argue that they can no longer control the rank and file.¹⁷ The workers' rejection of the traditional machinery to seek improvements and their increasing resort to "direct action" suggest a growing disillusionment with the promises of labor and their political leaders. It also suggests an at least temporary repudiation of the existing political order. If France's workers are to continue to accept the legitimacy of the Fifth Republic, some relief from unemployment and inflation will have to be evident before 1981.

Judgments on the apparent failures of Barre's economic plan are unfortunate and possibly misleading. Economic readjustments of the order that require the

¹⁶Paul Lewis, "The French Adjustment . . .," *European Community*, no. 210, November-December, 1978, pp. 23-26; James O. Goldsborough, "Giscard's New French Revolution: Capitalism," *Fortune*, April 9, 1979, pp. 67-74. Lawday, *op. cit.*, pp. 11-16.

¹⁷Lawday, *op. cit.*, p. 26; *The Economist*, March 3, 1979, pp. 45-46.

relocation (and possible retraining) of between 20,000 and 25,000 workers generally require a more generous timetable than three years. But since the government has imposed that specific deadline upon itself, it must be evaluated unfavorably. Nevertheless, negative judgments should not overlook the possibility that the readjustment measures may pay off in the future (perhaps too late to save the Barre ministry) by bringing French industrial practices into the twentieth century.

Any assessment of economic or social reforms, either short or long term, must take into account the structural obstacles that are built into French society. These include the nature of France's political and economic bureaucracies, the personnel directing them and the heavy hand of traditional practice. France's highly centralized bureaucratic structure, a legacy of the Napoleonic era, tends to inhibit innovative action and, hence, to "block" reforms in what can become a "stalled society."¹⁸ This structural resistance to change is reinforced by the uniformity of training and the closed society of France's managerial elites. Almost all of these are graduates of one of three "grandes écoles," especially the Ecole Nationale d'Administration (ENA); on graduation, they regularly alternate between posts in government agencies and private industry.¹⁹ Despite high expertise and intelligence, this relatively closed world discourages the introduction of innovative blood. In addition, there is the centuries' old tradition of *dirigisme*. Whether used to shore up sick industries or for extraordinary government intervention for readjustment, this practice discourages the freedom of innovation and competition that the government hopes to encourage.

One of the most obvious weaknesses of the Barre recovery plan is that it is at the mercy of the high costs of foreign energy that are at the root of France's economic ills. Energy costs are one of the targets of Giscard's policy for fuller economic integration in Europe. Since the dollar, the reserve currency for international oil pricing, has fluctuated widely, the real costs to France of foreign crude oil have been set by forces largely beyond the control of French planners. In order to redress this situation, in 1978 Giscard linked the franc with the German mark; by participating in the joint float of the European currencies, he was able to protect the franc against the

erratic dollar. In close collaboration with West Germany's Chancellor Helmut Schmidt, Giscard has also played a leading role in strengthening the new European Monetary System (EMS) and its new currency, the ECU.²⁰ These pro-Europe steps (which include support for the new European Parliament elected in June) are criticized by the neo-Gaullists, who argue that French independence is being sacrificed and that the nation's economic fate will be determined in foreign capitals.²¹ The Giscardians counter that European support for the ECU as the standard currency for international oil will lessen French dependence on the dollar and will give France greater control over the international energy issues that influence the domestic economy.

France has much to gain through fuller economic integration with Europe, especially with regard to energy costs. Since the 1973 oil shortages, the average dependence of France's EEC neighbors on foreign oil has been cut from 63 percent of their total needs to a current 55 percent. France's dependency has been around 75 percent, and the French have been paying the highest European prices for gasoline, \$2.25 per gallon. It is hoped that these figures will be alleviated with the mid-1979 creation of an emergency oil-sharing system among the EEC nations, which will authorize the exceptional transfer of oil between member nations as domestic reserves drop below 7 percent.

Although the current French enthusiasm for Europe dates from the 1973 energy crisis and the 1974 election of Giscard, it is fully compatible with the economic interdependence that has evolved over the past 20 years. For example, fully 50 percent of France's exports are purchased by EEC nations and, reflecting the special ties dating from their 1963 friendship treaty, 20 percent go to West Germany alone. Nevertheless, while sharing his predecessors' insistence on a "Europe des patries" that would not infringe upon members' independence, Giscard's pragmatic steps (including support for the European Parliament and the new European Council) have been willing to risk a small measure of independence for longer-range benefits. While the advantages of the EMS and the EEC oil-sharing system will probably do little to soothe immediate domestic troubles, they will enable France to absorb OPEC price increases with less internal disruption.

While the EMS should give France and the other

(Continued on page 185)

¹⁸Crozier, *op. cit.*, pp. 77-97.

¹⁹Ezra N. Suleiman, *Elites in French Society: The Politics of Survival* (Princeton: University Press), pp. 17-43, 223-250ff.

²⁰Stephen Milligan, "European Monetary System," *Europe*, no. 211, January-February, 1979, pp. 6-10; Goldsborough, "The New Entente Cordiale," *The New York Times Magazine*, August 26, 1979, pp. 18-24; Lawday, *op. cit.*, p. 11.

²¹Chirac, *op. cit.*, p. 496; Goldsborough, "Giscard's New French Revolution . . .," p. 74; Magnus, pp. 262-264. Jean-Claude Valla, "Michel Debré: pour l'Europe des patries," *Le Figaro Magazine*, no. 25, April 6, 1979, pp. 48-49.

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NATO'S BALANCING ACT

(Continued from page 147)

different types of divisions maintained in Europe, there are sharply contrasting strength gradients in each national component, with the United States 7th Army and the Bundeswehr coming closest to being adequately armed and equipped. The British are, by general assent, poorly equipped; they are especially short of artillery and the official table of three divisions amounts in reality only to four brigades; not all their tanks are operational and there is a shortage of manpower (not improved by drawing off battalions for service in Northern Ireland). The same signs of weakness are apparent in the Dutch and Belgian formations. Dutch forces must carry through their operational tasks with two rather than three divisions, while their operational tank strength is about 500 (in spite of a larger inventory), a shortcoming magnified by the shortage of medium artillery, armored personnel carriers (APC's) and communications equipment. Belgian artillery is also inadequate.

Meanwhile, the Warsaw Pact (Soviet and non-Soviet forces) have continued the process of modernization with numerical expansion, including important qualitative improvements designed to enhance battlefield performance. Some 130,000 men have been added to Soviet divisions deployed forward in east central Europe, though without any appreciable alteration in the nominal order of battle—GSFG (Group Soviet Forces/Germany) with 20 divisions (10 tank, 10 motor-rifle, plus 1 artillery division), Central Group (Czechoslovakia) with 5 divisions, Northern Group (Poland) with 3 divisions and Southern Group (Hungary) with 4 divisions, a total of 32 divisions. GSFG presently stands at some 370,000 men, with over 7,000 battle tanks and 2,300 infantry combat vehicles: the modern T-64 battle tank has largely replaced the older T-62, and motor-rifle divisions are being furnished with extra tanks in the form of an independent tank battalion. Improvements in firepower include the newer self-propelled 122-mm and 152-mm guns, with artillery command and radar reconnaissance vehicles brought in to enhance the ability of artillery to provide effective fire support for high speed offensive operations.

In the relentless Soviet search for greater effectiveness in high speed operations and increased shock power, two developments are worth particular attention. The first is the Soviet increased interest in and wider deployment of advanced helicopters, above all, the formidable Mil Mi-24 (HIND-D) attack helicopter with its air-to-ground (and possibly air-to-air) capability, regiments of which are presently located in the area of 3rd Shock Army (GSFG) at Stendal and Parchim. In addition to being an impressive weapons platform, the HIND-D can carry 12 men and might

well be used to lift Soviet anti-tank troops into zones already neutralized by the helicopter's own weapons (a Soviet anti-tank section consisting of 8 men plus commander—easily accommodated with their weapons in the HIND-D). Though relatively large (almost 20 meters long), the HIND-D is fast and maneuverable, with a remarkable turn of speed.

Additionally, Soviet interest in helicopter operations is supplemented by close attention to airborne forces at large, not only airborne divisions but also air landing brigades (employed on a large scale in the recent exercises in Hungary, landing in the depth of the enemy rear to form a bridgehead to receive advancing Soviet armor and to destroy enemy strong-points)—with air landing brigades also being formed within three of the eight Polish motor-rifle divisions.

The second development concerns the measures adopted by the Soviet command to improve troop control techniques and procedures, in order to take maximum advantage of the new equipment and to ensure effective control of high-speed offensive operations. The mobile command/observation vehicle—the ACRV-2—is a highly maneuverable command post on which is based the M-1974 self-propelled gun chassis, armed with a 7.62 machine-gun and equipped with electro-optical viewing devices, now at the disposal of the regimental commander, who hitherto relied on static, dug-in observation posts used in conjunction with artillery commanders. Improved staff work, better training in battle procedures, proper utilization of communications are also part of the emphasis on flexible but firm troop control.

Formidable though it is, this dimension of the Soviet build-up has been largely incremental and its effect on the net balance is largely to underscore the inferiority under which NATO has long labored. The main difference today is the fact that this inferiority is in many respects qualitative as well as quantitative (with electronic warfare especially pronounced as one significant Soviet advance in quality and quantity). However, the same cannot quite be said for the rapid change in the net balance in air capabilities and the implications of growing Soviet naval power.

The air balance is as sensitive as it is critical; recent Soviet expansion and diversification of air capability are of commanding importance. Over the past decade, the inventory of Soviet frontal aviation (tactical aviation) has actually increased by one-third even though more sophisticated—and more expensive—aircraft have been steadily introduced. The MiG-23 (FLOGGER-B) is an advanced interceptor, supplementing the mobile battlefield ground-based air defenses of the Soviet Army (Ground Forces). The MiG-27 (FLOGGER-D) in range, performance and payload far outstrips earlier Soviet tactical aircraft; it is nuclear-capable and can also operate as a low-level strike

(Continued on page 186)

THE EUROPEAN COMMUNITY

(Continued from page 152)

Political Committee, a correspondent group, and working parties from the respective foreign ministries that coordinate the work of government leaders. There is frequent foreign policy consultation among EC members in major foreign capitals and at the United Nations. The Community has a common front on some issues (e.g., the Conferences on Security and Cooperation in Europe and its review sequels, the Middle East, Cyprus, Portugal, Rhodesia and Angola); but most of these issues have been relatively minor, simple, or reactive in nature, and the results must be termed modest.

Since 1974, the heads of government of the Nine have met regularly three times a year in the form of the European Council, which deals with political cooperation in matters relating to the Community. The purpose of the Council, which was proposed by French President d'Estaing, is to provide the highest level political guidance and stimulus to Community initiatives and to furnish leadership that has been lacking in the regular EC institutions.¹⁴ The sensitive nature of the Community's agenda, with a potential impact on the domestic economies of member countries, has elevated decision-making to the highest level of national political responsibility. The European Council may have derogated somewhat the roles of the Council of Ministers and the Commission; but it has emerged as a major component of the Community system. In 1979, the Council's action to limit EC oil imports to 1978 levels until 1985 indicated encouraging progress toward a Community energy policy. While the role of the Council in setting the direction and tempo of EC activity will probably increase, by the same token it will tend to institutionalize the intergovernmental (as distinct from supranational) character of the Community. In turn, this will probably consolidate the now widely shared French concept of European construction embodying "a sort of confederate-style 'executive branch' derived from the current European Council."¹⁵

A long-heralded Community innovation occurred in June, 1979, with the direct election of represent-

atives to the European Parliament, hitherto chosen by and from members of the national legislatures of the member countries.¹⁶ The importance of direct elections, which are called for in the Rome Treaty, is underscored by the need to strengthen the democratic base of EC and to enhance the legitimacy of the Community's role in the affairs of member countries. This was regarded as all the more necessary in view of the growing role of the Parliament in EC budgetary affairs since 1975. Since the European Council and the Council of Ministers are directly accountable to their own national political systems and not to the Community, and the Commission is chosen by agreement among member governments, the popular election of representatives to the European Parliament represents the first instance of direct democracy applied to Community institutions.

Direct elections may make little difference to the Community, at least in the short run, because the Parliament has strictly limited powers in the Community system and these powers will not be increased as a result of direct elections. The Parliament must be consulted prior to the approval of Community laws, but it possesses no power of legislative initiative, enactment or veto (except on the budget). The Parliament can compel the resignation of the Commission by a two-thirds vote; but this has never occurred and is unlikely, in view of the Parliament's general support for the Commission's role, its distaste for damaging a central Community institution, and the fact that it would play no role in naming a successor.

Apart from direct elections, the most important aspect of the Parliament's authority is its role in approving the Community budget. The Council of Ministers has final approval authority over obligatory budget expenses that derive from the Rome Treaty (currently about three-fourths of the Community budget, mostly in support of the CAP). However, the Parliament possesses final approval authority over the nonobligatory part of the budget (e.g., the social and regional policy funds), though this is restricted by an annual maximum rate of increase. The Parliament may also exercise control over the entire budget through its authority to approve or reject the budget *in toto*.

In practice, this power has led to extensive consultations between the Council and the Parliament to produce a budget acceptable to both bodies. The Parliament, which tends to push for higher budget levels than the Council, is unlikely to reject the overall budget, since the effect of this would be to leave expenditures at the previous year's level (unless agreement on an alternative budget is reached). One measure of the Parliament's growing budgetary clout was its action in late 1978 that led to an increase in the budget for the Regional Fund of 53 percent more than the Council initially recommended.

¹⁴The role of the Commission relative to the Council of Ministers has been subordinated in the 1970's. The Council itself, which meets with different ministerial representations (e.g., agriculture, finance, transport) lacks a unified identity and is often unable to attain consensus and provide a sustained momentum for Community programs.

¹⁵Interview of French President Giscard d'Estaing with *Der Spiegel*, published January 1, 1979. French Embassy, Press and Information Division, June, 1979.

¹⁶For further study of the European Parliament, see John Fitzmaurice, *The European Parliament* (New York: Praeger, 1978) and Valentine Herman and Juliet Lodge, *The European Parliament and the European Community* (New York: St. Martin's Press, 1978).

A major factor in the Parliament's future is French and British opposition to any extension of its powers beyond those prescribed in the Rome Treaty. This is consistent with the French determination to strengthen the intergovernmental character of the Community (e.g., the European Council) and to maintain a more restrictive role for other Community bodies (e.g., the Parliament and the Commission). As long as this attitude prevails (and any change would require unanimous consent), there is little chance for increased powers for the Parliament in the Community. On the other hand, given the Parliament's newly established democratic legitimacy and the stature of many of its members,¹⁷ the Parliament may well press for a larger role, which may occasion tension and further adjustments in the Community's relations with member states. ■

¹⁷The 410 new Euro-MP's elected in June include nine former Prime Ministers, a former West German Chancellor (Willy Brandt), numerous former and present national Cabinet ministers and several leading national party figures.

GREAT BRITAIN: TORIES IN CONTROL

(Continued from page 156)

tion. The civil service in Britain determines policy continuity, removing the sharp edges of partisanship from the changes brought by a new government. If Thatcher is to succeed, she must influence senior civil servants. In this context, significant changes are taking place. In October, Sir Robert Armstrong succeeds Sir John Hunt as secretary of the Cabinet. Armstrong moves to that post from his position as permanent secretary at the Home Office. As secretary of the Cabinet, he will play the pivotal role in forming committees, organizing meetings and preparing the minutes that will guide the civil service in policy implementation. At 52, he is fairly young for his job and has an eight-year term in office; thus the civil service will provide a powerful force for or against the policies of this particular government without any promise that the turnover of officials may change the situation. The civil service facilitates the implementation of policy; but it makes dramatic shifts—of the sort Thatcher apparently envisions—more difficult to carry through.

Third, the most significant problem for a new reformist regime is the malaise that formed a political undertow, hampering the effectiveness of British governments in recent times. The disillusionments that accompanied the loss of empire, international reach and great power status were reflected in the ineffectiveness of successive governments in domestic as well as foreign policy. In one sense, the adjustment to a more modest role has been gradual and comparatively painless; in another, the constant drag of a weak economy, a basic cause of international decline, re-

stricts policy options. Inflation is again at a double digit level after a brief respite for part of Labour's term in government. The current pace of more than 11 percent is expected to reach 17 or perhaps 20 percent a year by 1981. Almost certainly this will make always difficult labor-management relations worse. Almost certainly, also, daring policy departures will be harder to bring to pass. ■

WEST GERMANY'S THIRTIETH ANNIVERSARY

(Continued from page 161)

remain to be seen. New factors, like trade union moves toward shorter work weeks and earlier retirement as well as the country's zero population growth, add to the difficulty of correct forecasting.

Chancellor Schmidt's domestic policies in the energy and economic sectors cannot be separated from his foreign policies. West Germany's relations with the United States and other West European countries reflect the interdependence of each state. Schmidt's initiatives have been supported by other West European leaders, to the satisfaction of the German population that has yearned for approbation after the shell shock of Hitler and World War II. Although Schmidt's blunt statements and overbearing manner make it difficult for foreign leaders to warm to him personally, they respect his expertise and his skill in diplomacy, especially in the economic and financial matters that are becoming increasingly important as the world moves into the 1980's.

Unless the West German chief opposition party, the CDU/CSU, comes up with imaginative alternative strategies for the 1980 election campaign, Chancellor Schmidt, having come into office in 1974, may well govern for another four-year term. But in politics, to predict the unpredictable is folly indeed. ■

TERRORISM AND DEMOCRATIC STABILITY IN SPAIN

(Continued from page 171)

Thus, like most industrialized countries, in the immediate future Spain will remain dependent on imported oil. The steady rise in oil prices during the first months of 1979 was received by Spanish authorities with mounting dismay. Spanish oil consumption increased at an 11 percent rate during the first six months of 1979, and the country now ranks sixth among the world's oil importers. Spain was still near the bottom in West European oil consumption per capita (1.89 tons per year, as compared with 2.4 for Italy and 4.25 for Germany); but since the first big OPEC increases in 1973 the percentage of her total energy production derived from oil had increased from 65 to 70. At current rates of importation, the new

price level will cost Spain at least an additional three billion dollars per year, a figure that cannot be tolerated.

After new price levels were made official by OPEC in early July, the Madrid government responded with uncommon dispatch. Several small increases in the retail price of gasoline in recent years were capped by a sudden 29 percent rise for premium grade that raised the cost of Spanish gasoline well beyond the West European norm. Production of heating oil for 1980 was slashed by 20 percent across the board, and all public lighting was reduced by a flat 50 percent in one of the most draconian initial reactions of any industrialized country.

Perhaps Spain's most serious aspect of the problem is the fact that approximately 52 percent of all Spanish energy production is consumed by industry, with automobiles accounting for only about 10 percent. To limit automobile consumption and home heating in various ways has not been too difficult, but the reduction of industrial consumption while maintaining output and employment is much more difficult. A major investment in alternate systems and insulation will probably be needed to reduce industrial consumption by eight or nine percent even over a period of several years.

The limited Spanish economic recovery is losing some of its steam, and the increase in energy costs and the reduction in oil supplies add to the risk of a new recession, with its attendant social consequences. During the last three years, Spain has made impressive achievements in political reform and to some extent in economic recovery. But major challenges must still be met in both areas, with the issues far from decided. ■

ORDER OR CHAOS IN ITALY?

(Continued from page 174)

Analysts are forecasting possible GNP gain for 1979 of five percent. This gain is explained by the discovery that in Italy, apart from state- and privately owned large companies, there is an affluent and profitable "shadow economy" of over \$24 billion a year, which represents 10 percent of Italy's GNP and involves some 6 million workers "unregistered but no longer unrecognized." In the past, this shadow economy, which evades taxes and other fiscal controls, prospered in obscurity and went unchecked.

DANGERS OF INFLATION

At the annual meeting of *Confindustria*,* its president, Guido Carli, anticipated that "stagflation"

**Confindustria* represents nearly 100,000 privately owned companies, of which 85 percent are conducted at profitable and productive levels. They also provide 4 million jobs.

could be reduced in 1979 with a broad political consensus, since economic and social stability depend heavily on Italy's political situation. In Italy, economic unrest and social instability are usually produced by recurrent strikes and persistent confrontation between labor and management, with the government trying to play an intermediary role. This situation, called *Conflittualita* (constant confrontation), becomes dangerous when requests for higher wages are not followed by a higher degree of productivity. Carli warned Italian politicians that the situation might deteriorate suddenly if Parliament gave a wider role to unions in the decision-making process. Carli opposed the union request for a reduction in the work week, a measure regarded by some experts as a way to fight unemployment, especially among the youth.

The same caution was voiced by the International Monetary Fund (IMF). In suggestions made public by the Italian Ministry of the Treasury, Filippo Maria Pandolfi, in April, 1979, the Fund recognized that the Italian economy made a positive recovery in 1978. However, it was necessary to insure that in 1979 inflation did not wipe out the gains achieved in 1978. These measures were recommended: 1) to ensure moderation in the cost of labor, keeping wage increments below productivity growth; 2) to introduce positive measures to cut down the deficit of the state-owned companies; 3) to spur investments so that the employment rate could rise; 4) to control the cost of social security and welfare benefits and to supervise local finance through adequate mechanisms of supervision.

In Italy, the population has reached a plateau of nearly 57,000,000 persons (56,696,000 according to the 1978 census); agriculture continues to employ fewer people (8.3 percent); industry is expanding moderately (38.9 percent), and 52.8 percent of the people are occupied in other activities and sometimes depend on state support. How did the Italians spend 135,000 billion lire (\$16 billion) in 1978? What kind of priorities did they satisfy or select? According to an analysis conducted by the Institute *EURISCO*, 14.9 percent did not make unnecessary purchases; 6.9 percent (representing those with fixed income) did not buy television sets or cars and took no vacations; 9.2 percent, including college and university students, spent most of their money for books and cultural events like movies or theater; 11 percent, the business people, spent their income on clothes, food, vacations and other recreation. Seventy percent of all Italians have cars and 60 percent have savings accounts. In a period of energy crisis, the Italians are apparently finding it very difficult to adapt to a life-style that should emphasize conservation and parsimony. The Italians have a long tradition of the good life (*La Dolce Vita*). The next few years will be critical for Italy, which will face a choice: order or chaos. ■

GREECE AFTER DICTATORSHIP

(Continued from page 166)

economic and strategic interests in the eastern Aegean that will ultimately enclave the Greek islands. With this apprehension, Greece has fortified those islands in violation of international treaties that require their demilitarization.¹⁸ Turkey, on the other hand, believes that she is establishing those Turkish rights in the Aegean that had so long gone by default; and in the militarization of the Greek islands she sees aggressive Greek intentions. The dispute divides the two countries and can very well lead to war; thus, it has relegated the Cyprus conflict to the periphery.

FUTURE PROSPECTS

Democratic Greece has made impressive gains since 1974. Some major causes of political instability, like the participation of the left in political life and the constitutional question, have been resolved. As for the army, it has returned to its barracks for good as far as internal politics are concerned, not because of Greece's membership in the EEC but because of the army's desire to regain the respect of the Greek people.

Apprehensions exist and warnings are voiced, mostly by outsiders, that the Greek party system, clientistic and personality oriented, will not survive the departure of charismatic leaders like Karamanlis and Papandreou, and that the traditional right may not tolerate an electoral victory by the left. In short, political upheavals of the type that facilitated the 1967 takeover may be reintroduced.¹⁹ This remains to be seen. What is being overlooked however, is the sobering effect of the dictatorship on Greek political culture and the fact that chronically divisive issues that acted as catalysts for instability have been neutralized. Meanwhile, as the two major parties move toward the center, the big question concerns Karamanlis's personal plans. Tsatsos's five-year term as President

¹⁸The 1923 Treaty of Lausanne and the 1947 Treaty of Paris.

¹⁹CSIA (Harvard's Center for Science and International Affairs), European Security Group, "Instability and Change on NATO's Southern Flank" *International Security*, vol. 3, no. 3 (Winter 1978/1979), pp. 164-165.

²⁰See generally Xenophon Zolotas, *The Energy Problem in Greece* (Athens: Bank of Greece Papers and Lectures, 1975) *passim*; *The Economist*, September 20, 1975 (Survey-Greece, p. 27); *Quarterly Economic Review of Greece, Annual Supplement 1978* (London: The Economist Intelligence Unit, 1978), pp. 11-12.

²¹Imported coal may also be used as a substitute for oil-fired generation and consultations are under way for the importation of natural gas from North Africa and the Soviet Union.

²²*The Quarterly Economic Review of Greece, 2nd Quarter, 1979* (London: The Economist Intelligence Unit, 1979), p. 4 and *The Economist*, July 21, 1979.

expires in 1980 and Karamanlis aspires to the position. He must soon decide whether he will lead his party in the 1981 elections or abandon party leadership for the presidency. If he does go for the presidency, and it seems unlikely, for the first time in Greek history a leftist party may come legally to power.

Party politics aside, Greece enters the 1980's facing two serious problems: the economic challenge of the EEC and her relations with Turkey.

On the economic side, structural and institutional changes are necessary to increase productivity and efficiency. But most important, Greece must cope with her energy needs. Otherwise the battle for the new energy sources and for economic prosperity will be lost. Currently, about three-fourths of Greece's energy requirements are met by imports of liquid fuels; this dependence must be reduced. The country is luckier than many others in this respect because with proper planning it is in a position to become almost self-sufficient in its energy needs.

Although offshore oil in the northern Aegean will be providing about one-third of the domestic requirements starting in 1980, the key lies in the country's possession of sources of power that are cheaper than oil.²⁰ The most important of these are the huge deposits of lignite and peat, more than six billion tons. Lignite-fired units already produce more than 40 percent of the electricity consumed. The Public Power Corporation that has the sole responsibility to generate and distribute electricity estimates that lignite-fired generation will meet two-thirds of the country's electricity needs by 1990. Lignite is, in fact, regarded by the government as its long-term chief weapon against imported oil and plans to broaden the use of electric energy produced from lignite-fired rather than oil-fired generation.²¹ Other sources of energy include hydroelectric power, which currently meets about 16 percent of the energy needs; there are also plans to exploit solar and wind power. Finally, the country's first 800-1,000 megawatt nuclear power station will be put into operation in 1987-1988, using domestic uranium.

If government planning is successful, Greece can expect to be almost self-sufficient in her energy needs by the 1990's. Meanwhile, short-term measures have centered on conservation. Industrial concerns with high consumption must meet conservation targets; controls have been put on consumption of house heating fuel; and the use of neon publicity signs has been restricted. A maximum speed limit has also been imposed and weekend driving must alternate between odd and even license plate numbers. More recently, working hours in the public sector and the banks have been staggered, and restaurants and nightclubs must close by 2:00 AM. The goal is to reduce energy consumption by 15 percent.²²

Although the prospects for dealing with the energy

problem look promising, the same cannot be said of Greece's relations with Turkey. In the Aegean dispute, Greece has so far exhibited a moderation that reflects two important concerns. One is the priority given to Greece's entry into the EEC and the desire to avoid any complications or entanglements that can jeopardize it.²³ The other is the intimidating effect that Turkish power has had on Greek policymakers, although this will never be admitted. The fact is that tension in the Aegean varies according to Turkish design and Turkey's long-term objective of revising the status quo, with Greece placed on the defensive.

There are no easy answers to this simmering conflict. As pointed out earlier the issues are entwined with Greece's relations with NATO and the United States. In the final analysis they involve questions of peace or war. The conflict's peaceful resolution is therefore a necessity, if Greece is to enter the 1980's with the hope of providing prosperity and security to her people. But the position of the Greek government can become untenable if it is perceived by the Greek public as negotiating away Greek national rights.

²³This is also manifested in the growing Greek desire to disengage from Cyprus.

FRANCE

(Continued from page 179)

EEC nations leverage and flexibility in negotiating oil prices, it does not lessen their dependence on Middle East oil. To decrease this dependency, France has adopted an ambitious nuclear energy program as the central effort of her energy plans. The French government's commitment to nuclear power is the most comprehensive of any nation in Europe and calls for long-range plans to quadruple current supplies of nuclear energy by the year 2000. Over the past few years, 13 nuclear reactors have been placed in operation and 25 more, including the Super-Phénix fast-breeder reactor—which will be the world's largest—are currently under construction. The plan, now only one year behind schedule, seems within reach of its intermediate goal of supplying 50 percent of France's domestic energy needs by 1985.²²

The French commitment to nuclear energy is unlikely to be reversed or diminished significantly by controversies over its hazards, although opposition groups have made an impact. There have been sporadic mass protests and incidents of violence in recent years: protests in Brittany have been endemic; demonstrations in Lyons in 1977 left one dead; and in April, 1979, the CNIM nuclear plant was extensively damaged by bombs. Perhaps the most serious and effective challenge to the nuclear program has been

mounted by a small group of intellectuals who initiated the Ecology Movement through such groups as Collectif Ecologie 78, les Amis de la Terre, and S.O.S. Environnement. Voicing concerns in cultural and even utopian terms, these organizers ran more than 200 candidates for the National Assembly in the March, 1978, elections. Though none was successful, their showing was higher than expected and won recognition of their concerns from the major parties.²³

As the Fifth Republic faces the 1980's, the ecologists will be only one of many groups challenging the government of France on social, political and cultural grounds. Most challenges will be made through existing legal and political channels in recognition of the Republic's legitimacy as the valid embodiment of the values and expectations of the groups' members. There will be times when some, like the workers of Longwy, bypass existing channels and take illegal "direct action," in a momentary denial of the government's legitimacy. Most such incidents under the Fifth Republic have been isolated and have not constituted a serious threat to the government. The outstanding exception was the revolt of May, 1968, which came close to repudiating the system's legitimacy by nearly toppling the Republic.

The most worrisome problem for the government's acceptability is the rise in ideological challenges, both from within and without formal political circles. At present, the Communists and the neo-Gaullists are debating whether they should sacrifice their respective ideals of the "classless society" or "la grande nation" and continue to "legitimize" a pragmatic and centrist liberal republic. There are also stirrings outside the major parties as groups of young intellectuals, including veterans of May, 1968, and the Ecole Nationale d'Administration, are emerging as the "new right." Led by the "new philosophers," the new rightists are denouncing traditional Western history and values and seeking a new cultural order led by an intellectually and racially strong elite. Secure in wealth and position, they are motivated by the same sense of cultural ennui that motivated some of them in 1968.²⁴

The stability of the Fifth Republic hinges on its ability to recapture the sense of cultural identity that most Frenchmen apparently once held for the Republic. This will require bold new economic readjustments to end scarcities and convincing efforts that political and social institutions and bureaucracies are not closed corporations. It will also require an ideal or mystique relating the Republic to the historical past and to the challenging future. Basically, it must arrest the growing sense of cultural ennui and convince Frenchmen that the Fifth Republic, even without de Gaulle, is legitimate France. The decisions taken by the Fifth Republic in the early 1980's will determine what kind of revolutionary bicentennial France will celebrate at the end of the decade.

NATO'S BALANCING ACT

(Continued from page 180)

aircraft. The SU-20 (FITTER-B) is a great improvement on the earlier SU-7, while the SU-19 (FENCER) VG deep penetration-interdiction two-seat fighter can penetrate to some considerable distance into the NATO theater from bases in the western Soviet Union. That veteran, the MiG-21, still serves, with the MiG-21SMT no doubt carrying on even as the MiG-23S replaces older versions.

Of the 4,500 aircraft with Frontal Aviation (FA), something like one-half are deployed with the east-central European Groups of Forces and the westerly Military Districts of the Soviet Union. What further distinguishes this force is that over three-fourths are third generation modern aircraft, introduced to front-line service in the latter part of the present decade. Improved theater weapons, like the SS-20, have also released aircraft for other roles as has the constantly increasing density of ground-based battlefield air defense systems, so that Soviet air power is no longer tied to keeping NATO aircraft off the backs of Soviet tank commanders. Soviet advantage in numbers, to take the most rudimentary measure, is also compounded by the growing obsolescence of NATO's air defenses. The NIKE air defense system suffers from electronic shortcomings, making it vulnerable to Soviet countermeasures, while it also lacks mobility. The improved HAWK partly offsets this situation, but air defense for NATO's ground forces is lagging appreciably—hence the insistence of Major-General John J. Koehler, United States Army Air Defense Center, for acceleration of four new systems. The advent of BACKFIRE and FENCER has enlarged the dimensions of the air threat, causing, for example, anxious reappraisal of the bomber threat in the United Kingdom, where 87 interceptors are patently inadequate for defensive purposes. Hence the rush to create three new squadrons.

The truly massive Soviet investment in battlefield air defense, SAM's, AA guns and interceptors forces NATO air to consider assigning substantial resources to suppression, while the appearance of deep-ranging Soviet strike aircraft poses formidable problems to the air defense system as a whole. Lack of depth also diminishes NATO's deployment area for air units, while insufficient air bases result in greater density of occupation. With at least 90 airfields at their disposal, Warsaw Pact air units can operate from dispersed natural sites serviced by mobile systems (although advanced aircraft suffer some limitations, hence lengthened runways, the expansion of fuel depots and at least 1,500 hardened aircraft shelters). Meanwhile, the USAF in Europe pushes 300 readiness initiatives to improve combat capability, while the colocating program—with agreements for 34 bases in eight coun-

tries—is designed to permit the tripling of the USAF in Europe and at the same time to assist dispersal. Reduction of vulnerability is also a marked feature of the revised readiness program.

The net balance, which is demonstrably tipped against NATO, can be adjusted (or so it is argued) through substantial and well-equipped reserves that can be mobilized rapidly and moved into the battle area. Hence United States plans to increase divisional stockpiles, expand air transport to move 5 divisions in 10 days and 60 tactical air squadrons (as opposed to 1 division and 40 squadrons). Few dispute the crucial role of American reinforcement. But the expansion of Soviet naval power and its increased sea-denial capability obviously place the reinforcing mission by sea at greater risk, a risk magnified as the sea-denial role is assisted by technology (weaponry, target acquisition and attack with stand-off systems—not to mention the maritime role of the BACKFIRE). Actual reinforcement apart, West Europe's dependence on oil and imported raw materials also requires a considerable effort to protect merchant shipping.

In looking at the balance as a whole, what the International Institute for Strategic Studies perceptively identified as "changes over time"—albeit unfavorable change from NATO's standpoint—have now been overtaken by sharp and very serious undulations, whether this be in the "overall balance," the "net balance" or the "perceived balance." It is this, plus the fact that intrinsically the Atlantic alliance is stronger than the Warsaw Pact (in aggregate resources, population and industrial production), that has prompted far more stringent appraisals.

The disparity between NATO and the Warsaw Pact, which grows apace, has its origins in fundamental differences in concepts and, hence, in the organization of military forces: from manpower bases that are generally comparable, NATO has produced fewer combat units, supported more suitably for sustained operations, while the Warsaw Pact has produced more units (though with less support), forces designed essentially for maneuver, "operational maneuver." Yet with fewer units in numerical terms, NATO not only attempts to line up along its own front but also operates without sufficient reserves, thus losing a hypothetical battle (in terms of firepower and attrition) on a ground originally chosen by NATO.

The visible degeneration in terms of the balance, even allowing for the many shortcomings of the Warsaw Pact, signals the need for some reorganization of Europe's defenses. Kissinger spelled out the requirement for greater realism and fewer magic words. If difficult political decisions are not taken, there will be a proliferation of political panaceas or the procrastination built into a recourse to "arms control." Effective and durable defenses are not built out of bargaining chips. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of September, 1979, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Conference of Nonaligned Nations

Sept. 3—The 6th Conference of Nonaligned Nations opens in Havana; Cuba's President Fidel Castro addresses the representatives of some 95 countries and groups and says that most of the world's major problems are caused by the U.S., its "old and new allies," and China.

Sept. 4—Yugoslavia's President Tito (Josip Broz) addresses the conference and urges the nonaligned nations to remain independent of the strong nations and to be wary of "foreign influences."

Sept. 9—As coordinator of the nonaligned nations, Castro closes the conference in Havana. The question of which Cambodian delegation to admit was returned to committee for further study; Egypt was denounced for the Camp David accords but was not suspended from membership.

International Monetary Fund (IMF)

Sept. 17—Meeting in Paris, officials of the 5 IMF nations—the U.S., Britain, France, Germany and Japan—agree on a plan to bolster the U.S. dollar; the plan will be explained at the annual meeting of the IMF in Belgrade in October.

Middle East

(See also *Israel*)

Sept. 5—In a news conference in Washington, D.C., U.S. Secretary of State Cyrus Vance says that the meetings between Israeli Foreign Minister Moshe Dayan and Palestine Liberation Organization leaders were helpful.

Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat agree to joint Egyptian-Israeli patrols to police the withdrawal of Israeli forces from the Sinai.

Sept. 7—U.S. President Jimmy Carter's Middle East negotiator Robert Strauss leaves for the Middle East to begin discussions with Begin and Sadat.

Sept. 11—Israeli ambassador to the U.S. Ephraim Evron asks U.S. Secretary of State Vance for \$3.4 billion in military and economic aid for fiscal 1981.

Sept. 19—U.S. Secretary of State Vance announces that the U.S., Egypt and Israel have agreed on a method to monitor the Egyptian-Israeli peace treaty that will require an additional American presence in the Sinai Peninsula.

Sept. 21—American black leaders meet in Beirut with PLO leader Yasir Arafat.

Sept. 25—At Abu Darba, Israel returns another small section of the Sinai to Egypt as part of the 3d phase of her withdrawal from the Sinai.

Sept. 26—Meeting in Alexandria for a 6th round of talks on Palestinian autonomy, Egyptian and Israeli negotiators disagree sharply over Israel's recent decision to permit Israeli citizens to purchase land owned by Arabs in the West Bank of the Jordan and the Gaza Strip.

Sept. 27—In Alexandria, Egyptian and Israeli negotiators end unsuccessful discussions on Palestinian autonomy.

North Atlantic Treaty Organization (NATO)

Sept. 1—Former U.S. Secretary of State Henry Kissinger warns NATO allies that the U.S. pledge to use its nuclear weapons against the Soviet Union in case of need "multipl[ies] assurances we cannot possibly mean and we should not want to execute . . ."

Organization of American States (OAS)

Sept. 6—The Inter-American Human Rights Commission opens a 2-week investigation of human rights in Argentina; the commission will prepare a report for the OAS.

Organization of Petroleum Exporting Countries (OPEC)

Sept. 17—The Group of 77 (developing nations) has apparently persuaded OPEC to agree to negotiations on the pricing and supply of petroleum products, according to U.N. reports.

Southeast Asian Refugee Problem

Sept. 2—In Hong Kong, U.S. Vice President Walter Mondale tells officials that the U.S. will take 2,000 refugees a month of the 67,000 being sheltered in Hong Kong.

Sept. 3—U.S. Navy spokesmen report the rescue of 154 refugees in 2 boats; this brings the total rescued to 308 since the Navy began its rescue operation on July 21.

United Nations

Sept. 1—In Vienna, the United Nations Conference on Science and Technology for Development that started August 20 ends; a \$250-million program is established to aid research in 3d world nations by the end of 1981.

Sept. 7—The 36-nation World Food Council ends its 3-day meeting in Ottawa and urges poor countries to improve coordination to feed their hungry populations and donor nations to increase their commitment to provide food.

Sept. 18—The General Assembly opens its 34th annual session in New York; Tanzanian delegate Salim A. Salim is elected President.

Sept. 21—By a 71-35 vote with 34 abstentions and 12 absences, the General Assembly permits the representative of the ousted Cambodian government of Pol Pot to take his seat; Vietnamese and Soviet delegates wanted to give Cambodia's seat to the delegate of the current Vietnamese-backed Cambodian government of Heng Samrin.

AFGHANISTAN

Sept. 14—Prime Minister Hafizullah Amin dismisses 2 former army officers from the Cabinet; the 2 officials, Lieutenant Colonel Aslam Watanjar, Interior Minister, and Major Sherjan Mazdoori, Frontier Affairs Minister, were considered possible contenders for the leadership. Widespread fighting is reported in Kabul and at the palace.

Sept. 16—President Noor Mohammad Taraki resigns; he cites poor health. Taraki is succeeded by Prime Minister

Amin, who is considered to be a strong Communist supporter.

Sept. 19—In Washington, D.C., U.S. State Department spokesman Hodding Carter 3d says there is an increase in the activity of Soviet troops along the Afghan border. He warns against any Soviet involvement in Afghanistan's internal affairs.

Kabul radio reports that President Amin has replaced 4 provincial governors and has offered amnesty to Afghan refugees living in Pakistan; the refugees fled to escape the fighting between government forces and Muslim insurgents.

Sept. 23—President Amin says that former President Taraki "is alive but sick." He was reportedly wounded in the fighting at the palace on September 14.

ANGOLA

Sept. 4—Oil Minister Jorge Morais announces an agreement with the U.S. oil company, Texaco Inc., for the exploration and production of oil in the Congo River basin; the national oil company, Sonagnol, will hold a 60 percent share in the venture.

Sept. 10—In Moscow, President Agostinho Neto dies following surgery for cancer. Planning Minister José Eduardo dos Santos is appointed interim President by the ruling Popular Movement for the Liberation of Angola.

Sept. 20—Dos Santos is appointed President.

ARGENTINA

(See also *Intl. Organization of American States*)

Sept. 20—The Supreme Court rules for the 2d time that Jacobo Timerman, publisher of *La Opinion* who has been jailed since 1977 without charges, should be released from detention.

Sept. 25—Timerman is released from jail; he leaves for Israel.

Sept. 27—Secretary of Economic Planning Guillermo Walter Klein and his family escape injury when 12 terrorists attack their home with submachine guns, kill 2 guards and blow up the house.

Sept. 29—In Córdoba, an attempted coup d'état by General Luciano B. Menendez is put down by army troops.

BRAZIL

Sept. 8—In response to the August 28 amnesty proclaimed by President João Baptista de Figueiredo, hundreds of exiles begin to return.

Sept. 11—The government sends Congress plans to redistribute income by allowing low-income workers to receive larger cost-of-living salary raises than high-income workers can receive, and by increasing funding for low-income housing.

CAMBODIA

(See also *Intl. Conference of Nonaligned Nations, U.N.; Thailand*)

Sept. 25—It is reported that a major Vietnamese offensive against the remaining supporters of the Pol Pot regime has begun. Between 170,000 and 200,000 Vietnamese soldiers are reportedly taking part in the offensive against about 40,000 guerrillas.

Sept. 26—Representatives of the International Red Cross and the U.N. Children's Fund report that an agreement has been reached between rival Cambodian political factions to permit the entry of foreign representatives to expedite the famine relief effort.

CANADA

Sept. 6—The Quebec provincial government issues an economic report that calls for local ownership and control of the province's natural resources.

CENTRAL AFRICAN REPUBLIC

Sept. 11—In Paris, former Ambassador to France Sylvestre Bangui announces the formation of a provisional government in exile to overthrow the government of Emperor Jean-Bedel Bokassa I.

Sept. 21—In a coup d'état, Emperor Bokassa is overthrown by former President David Dacko, who declares an end to the empire and the restoration of the republic. Dacko says he was aided by French and African friends.

At Dacko's request, about 300 French troops arrive in Bangui to help keep order.

Sept. 22—Dacko frees all political prisoners held in Ngarabga Prison.

Deposed Emperor Bokassa remains at a French military airfield in France; he claims to have the rights of a French citizen.

Sept. 23—President Dacko accuses Bokassa of personally murdering schoolchildren in the massacre last April.

Sept. 24—France continues to deny Bokassa refuge; Bokassa flies to the Ivory Coast where he is granted asylum.

CHINA

(See also *U.S., Administration, Foreign Policy; Vietnam*)

Sept. 15—The government appoints 1,000 officials to investigate charges and grievances brought by demonstrators in Beijing during the last month.

Sept. 23—In Moscow, a Chinese delegation arrives for talks on Chinese-Soviet relations.

Sept. 28—Mayor of Beijing Peng Zhen, disgraced during the Cultural Revolution, and Zhao Ziyang, party first secretary of Sichuan province, are elected to the Central Committee.

Sept. 29—In an address on the 30th anniversary of the People's Republic, senior deputy chairman of the Communist party Yeh Jianying says the Cultural Revolution "was an appalling catastrophe."

CUBA

(See also *Intl. Conference of Nonaligned Nations; U.S., Foreign Policy*)

Sept. 17—In response to the release of 4 Puerto Rican nationalists by U.S. President Jimmy Carter, President Fidel Castro orders the release of the 4 remaining American citizens held on political charges in Cuban jails. (See *U.S., Administration, September 6.*)

Sept. 28—In Havana, President Castro says that Soviet troops have been in Cuba for 17 years; he accuses United States President Jimmy Carter of creating a crisis and of being "dishonest, insincere and immoral."

DENMARK

Sept. 28—Prime Minister Anker Jorgensen submits his resignation to Queen Margarethe II; parliamentary elections will be held October 23.

DOMINICAN REPUBLIC

(See also *U.S., Administration*)

Sept. 3—The government reports that more than 600 people were killed and 150,000 were left homeless in the aftermath of hurricane David, which swept the island September 1 and 2.

Sept. 11—The Chamber of Deputies asks President Antonio Guzmán to investigate charges that the U.S. has sent soldiers to the island in response to the presence of Soviet troops in Cuba.

EGYPT

(See also *Intl. Conference of Nonaligned Nations; Middle East*)

Sept. 4—In Haifa, President Anwar Sadat arrives for a 3-day official visit with Israeli Prime Minister Menachem Begin.

Sept. 6—At the conclusion of the talks, Sadat says he and Begin have agreed that the Palestinian homeland question must be settled soon.

Sept. 18—U.S. military weapons are delivered to Cairo for the first time in 25 years; the purchase was possible because the U.S. extended \$1.5-billion worth of military sales credits to Egypt when the Israeli-Egyptian peace treaty was signed in March, 1979.

EL SALVADOR

Sept. 6—José Javier Romero Menea, the brother of President Carlos Humberto Romero, is ambushed and killed by left-wing guerrilla terrorists.

Sept. 14—In San Salvador, government troops fire on anti-government protesters; 3 people are killed and 21 injured.

Sept. 15—The government cancels its Independence Day festivities because of increasing violence.

EQUATORIAL GUINEA

Sept. 11—In the wake of last month's military coup, Spain sends technical equipment and supplies to her former colony.

Sept. 29—Former President Nguema Biyoto Masie and 6 associates are sentenced to death by a civilian court. They are reportedly executed.

FRANCE

(See also *Central African Republic*)

Sept. 1—On August 29, the Cabinet announced a \$1-billion program to supplement social programs and to bolster the construction industry by providing low cost loans for home builders and for highway improvements.

GHANA

Sept. 24—President-elect Hilla Limann is sworn in as President; he replaces Flight Lieutenant Jerry Rawlings, who took power in a military coup in June, 1979.

IRAN

Sept. 4—Government forces take control of Mehabad, the rebel stronghold in Kurdistan province. Yesterday, the Kurds abandoned their positions and fled to a mountain town on the Iranian-Iraqi border.

Sept. 5—In Teheran, the government expels four correspondents for the Associated Press and closes its Teheran office.

Sept. 6—Government forces crush the last remaining Kurdish stronghold in Sardasht along the Iraqi border.

Sept. 8—Soviet foreign affairs specialist Aleksandr Bovin says the revolutionary government of Ayatollah Ruhollah Khomeini has aroused "religious fanatics and anti-Communist hysteria."

The government seizes the assets of the country's two

largest newspaper publishers, the Ettelaat and Kayhan groups.

Sept. 10—Ayatollah Mahmoud Taleghani, the chief religious leader of Teheran, dies in his sleep.

Sept. 16—Supporters of Khomeini call for the removal of Prime Minister Mehdi Bazargan and his Cabinet.

Sept. 18—Defense Minister Taghi Riahi resigns from the Cabinet; earlier in the week, Education Minister Gholam Hossein Shokouhri resigned.

Sept. 26—Foreign Press Director Ali Behzadnia expels *Wall Street Journal* correspondent Rama Chandra Mohan; he is the 18th foreign correspondent expelled since February.

Sept. 27—In Kuwait, Iranian envoy Hojatoleslam Haj Seyyed Abbas Mohri and 18 members of his family are deported for holding a political meeting in a mosque.

Sept. 28—Prime Minister Bazargan dismisses Hazzan Nazih as chief executive of the National Iranian Oil Company; Nazih is accused of blocking attempts to purge the oil industry of "non-Islamic elements." Yesterday, Khomeini told oil workers that Nazih could be tried for treason if he is convicted of acting against Iran's "national and Islamic interests."

Bazargan names Mostafa Chamran as Minister of Defense and appoints Ali Akbar Moinefar as minister of the newly created Ministry of Petroleum.

IRELAND

Sept. 29—In Drogheda, Pope John Paul 2d addresses more than 200,000 people; he asks the terrorists in Northern Ireland to end the violence.

ISRAEL

(See also *Intl. Middle East; Egypt*)

Sept. 5—An aide to Foreign Minister Moshe Dayan reveals that Dayan met 6 times last spring and twice in the last week with Palestine Liberation Organization (PLO) leaders in the occupied territories.

Sept. 7—Israeli military forces arrest 70 alleged terrorists in the occupied Gaza Strip.

Sept. 14—The Central Bureau of Statistics reports that the consumer price index for August rose 8.4 percent.

Sept. 16—The Cabinet lifts a 12-year prohibition restricting Israeli citizens from buying land in the occupied territories.

Sept. 26—Prime Minister Begin warns that the creation of a Palestinian state would enable the Soviet Union to establish a strategic foothold in the Middle East.

KOREA, SOUTH

Sept. 8—A Seoul district civil court declares that Opposition leader Kim Young Sam is unfit to head the New Democratic party; Kim says he will defy the court order.

KUWAIT

(See *Iran*)

LEBANON

Sept. 7—In southern Lebanon, fighting breaks out between Israeli-supported Christian forces and Lebanese leftist troops.

Sept. 12—In Beirut, fighting erupts for the 3d day between Maronite Christians and Armenians; 24 people are reported killed and 30 have been wounded in the 3 days of fighting.

Sept. 24—Syrian and Israeli jets clash over southern Lebanon; 4 Syrian jets are downed.

MEXICO

(See also *U.S., Foreign Policy*)

Sept. 28—In Washington, D.C., President José López Portillo confers with United States President Jimmy Carter to try to improve relations between the 2 countries.

MOROCCO

Sept. 16—In Rabat, Palestine Liberation Organization leader Yasir Arafat arrives for talks with King Hassan II.

NICARAGUA

Sept. 6—In Havana, Daniel Ortega Saavedra, a member of the Junta of National Reconstruction, asks the delegates to the nonaligned nations conference for "disinterested help" in rebuilding Nicaragua's economy.

Sept. 24—In Washington, D.C., U.S. President Jimmy Carter meets with Daniel Ortega, Alfonso Robelo and Sergio Ramirez, members of the military junta.

Sept. 28—In an address to the United Nations General Assembly, Daniel Ortega Saavedra says that his government cannot repay loans of up to \$600 million that were granted to the administration of President Anastasio Somoza Debayle.

PAKISTAN

Sept. 22—President Zia ul-Haq admits that Pakistan is planning to produce enriched uranium but denies that she plans to make a nuclear bomb.

PANAMA

Sept. 30—At midnight tonight, Panama takes jurisdiction over the Panama Canal Zone; the United States will continue to have authority over the canal and about 40 percent of the canal area until 1999.

PHILIPPINES

Sept. 7—Former President Diosdado Macapagal and 3 of his political associates are arrested and charged with sedition and rumor-mongering, a crime punishable by up to 6 years in prison.

Sept. 10—Despite a plea by Jaime L. Cardinal Sin, leader of the Roman Catholic church in the Philippines, President Ferdinand E. Marcos refuses to end the 7-year-old rule by martial law.

PORTUGAL

Sept. 11—President António Ramalho Eanes dissolves Parliament and calls for new elections December 2.

SOUTH AFRICA

Sept. 13—The government declares Venda, a tribal homeland, an independent black nation. The U.S. State Department says the area has been proclaimed independent "without reference to the wishes of the people," and therefore it will not recognize it.

Sept. 25—Minister of Labor Fanie Botha announces the government's decision to grant black workers' unions the right to represent their members in negotiations. Until now, the black unions have had no legal status.

SPAIN

(See also *Equatorial Guinea*)

Sept. 10—In Madrid, Spanish police arrest 13 people who are considered the "most important" members of the

First of October Anti-Fascist Resistance Groups, a terrorist organization.

Sept. 13—In Madrid, Palestine Liberation Organization leader Yasir Arafat meets with Prime Minister Adolfo Suárez; Spanish officials are maintaining a "special relationship" with the Arab nations.

Sept. 15—Arafat ends his visit to Spain.

Sept. 23—Brigadier General Lorenzo González-Valles Sánchez, military governor of Guipúzcoa Province, is assassinated by Basque terrorists.

SWEDEN

Sept. 16—National parliamentary elections are held.

Sept. 19—Official election returns give the non-Socialist parties (the Moderate, Center and Liberal parties) a majority of 1.

Sept. 20—Acting Prime Minister Ola Ullsten submits his resignation.

SYRIA

(See also *Lebanon*)

Sept. 3—President Hafez al-Assad orders troops to Latakia to put down a religious demonstration by Alawite Muslims who are protesting the murder of their leader; Assad himself is an Alawite Muslim. 5 people are reported killed.

Sept. 8—It is reported that, in fighting between members of the majority Sunni Muslims and the minority but powerful Alawite Muslims, about 40 people were killed in the last week.

Sept. 13—In Damascus, an Alawite Syrian military officer is shot and 4 government intelligence agents are killed in a bomb blast.

THAILAND

Sept. 26—Government officials present plans to the Cabinet to receive and feed Cambodian refugees; refugees will be permitted to remain in Thailand "for a short and specified period." In June, 1979, the government forcibly expelled 45,000 Cambodians at gunpoint.

TURKEY

Sept. 26—A police official reports that 10 more people have been killed in clashes between right-wing and left-wing extremists. The total number of dead in the last 20 months of fighting is more than 2,200.

U.S.S.R.

(See also *Intl, U.N.; Cuba; Iran; U.S., Foreign Policy*)

Sept. 4—In Moscow, the 2d Moscow International Book Fair opens; Soviet customs officials have confiscated 44 books published by U.S. publishers.

Sept. 17—In Washington, D.C., Ambassador to the U.S. Anatoly F. Dobrynin and U.S. Secretary of State Cyrus Vance conclude a series of talks about the presence of Soviet troops in Cuba.

Sept. 24—In Geneva, a Swiss Justice Ministry spokesman announces that 2 Soviet skaters, Lyudmila Belousova and Oleg Protopopov, have asked for political asylum in Switzerland.

Sept. 27—The Ministry of Culture cancels the Moscow State Symphony's United States tour; no explanation is given.

Sept. 28—The United States Central Intelligence Agency reports that there are between 10,000 and 12,000 Soviet forces on the Kurile Islands, 40 miles north of Japan.

UNITED KINGDOM

Great Britain

- Sept. 5—In London, funeral services are held for Earl Mountbatten of Burma, who was murdered August 27 by members of the Irish Republican Army.
- Prime Minister Margaret Thatcher meets with Irish President John Lynch; they are unable to agree on what action to take to end terrorism.
- Sept. 7—Bishop Robert Runcie is chosen to succeed Donald Coggan when he retires (January 26) as Archbishop of Canterbury and Primate of the Church of England.
- Sept. 10—In London, BL Ltd., the only major British-owned automobile manufacturer, announces plans to end production of its MG sports car; nearly 25,000 workers will be laid off.
- Sept. 12—The government announces plans to end the British Post Office monopolies of mail-carrying and telephone service.

Northern Ireland

- Sept. 6—The Irish Republican Army warns of further terrorist attacks if Britain continues her rule in Northern Ireland.

UNITED STATES

Administration

- Sept. 1—In an interview, Postmaster General William Bolger says that the Postal Service may end its fiscal year on September 30 with a surplus of more than \$400 million, the first surplus since 1945.
- Sept. 6—President Jimmy Carter commutes the sentences of Puerto Rican nationalist Oscar Collazo, who tried to assassinate President Harry Truman in 1950, and of 3 other nationalists, who shot and wounded 5 congressmen from a gallery overlooking the House chamber in 1954.
- Sept. 10—President Carter authorizes the use of up to 100 men of the Puerto Rican National Guard to aid some 200 U.S. troops aiding the relief effort in the Dominican Republic.
- Sept. 12—Speaking in Hartford, President Carter says that he has asked the 27 largest oil companies not to raise the price of heating oil this winter; he is preparing a \$2.4-billion program of aid to low-income families to help pay their energy bills.
- Sept. 13—President Carter nominates Assistant Secretary of the Navy Edward Hidalgo to replace W. Graham Clayton, Jr., as Secretary of the Navy and Abelardo López Valdez as chief of protocol at the White House.
- Sept. 14—The Civil Aeronautics Board approves the application of Pan American World Airways to operate commercial flights between the U.S. and China.
- President Carter tours the Alabama, Mississippi and Florida Gulf Coast areas devastated by hurricane Frederic; he says the damage costs may exceed \$1.5 billion.
- Sept. 16—The Nuclear Regulatory Commission staff recommends that the possibility of an accidental release of nuclear radiation and the population density be considered before new sites for nuclear reactors are chosen.
- Sept. 19—The Federal Aviation Administration orders a prompt visual inspection for rear bulkhead cracks on some 100 U.S.-owned DC-9 jetliners; a similar Air Canada plane lost a tail cone and rear door but was able to make a safe landing on September 17.
- Sept. 20—President Jimmy Carter orders the Secret Service to protect Senator Edward Kennedy (D., Mass.) as the

Senator edges closer to announcing his candidacy for President in 1980.

- Sept. 21—The Interior Department announces that it is authorized to proceed with the sale of leases for oil and gas development rights on the Georges Bank off Cape Cod; the sale will take place October 30.
- Sept. 23—Donald McHenry is sworn in as chief U.S. delegate to the U.N.
- Sept. 24—Former New Orleans Mayor Moon Landrieu is sworn in as Secretary of Housing and Urban Development; former Portland Mayor Neil Goldschmidt is sworn in as Secretary of Housing.

Civil Rights

- Sept. 16—*The Madison Press Connection* in Madison, Wisconsin, publishes a letter written by Charles Hansen, purporting to show the trigger mechanism of a hydrogen bomb; U.S. district court Judge Robert Schnacke had already issued a temporary restraining order in San Francisco to prevent a student newspaper in Berkeley from publishing the letter.

Economy

- Sept. 7—The Labor Department reports that the nation's unemployment rate rose to 6 percent in August.
- The Labor Department reports that its producer price index rose 1.2 percent in August.
- Sept. 14—The Commerce Department says that the nation's industrial production rate fell by 1.1 percent in August.
- Sept. 17—The Federal Reserve Board raises its discount rate to 11 percent.
- Sept. 25—The Labor Department reports that its consumer price index rose by 1.1 percent in August.
- The Council on Wage and Price Stability raises its voluntary standard for pay raises to 8 percent from 7 percent; the new standard affects about 90 percent of the work force.
- Sept. 27—The Commerce Department reports a trade deficit of \$2.36 billion in August.
- Sept. 28—Most U.S. major banks raise their prime interest rate to 13.5 percent.
- Gold closes on the London market at a record high of \$398 a troy ounce.
- The Commerce Department reports that its index of leading economic indicators showed no change in August.
- Sept. 29—After a 4-hour meeting in Hamburg, West German Chancellor Helmut Schmidt, U.S. Secretary of the Treasury G. William Miller and Chairman of the U.S. Federal Reserve Board Paul Volcker announce agreement on measures to bolster the declining dollar.

Foreign Policy

(See also *Intl. Middle East; Cuba; Nicaragua; Panama; U.S.S.R.*)

- Sept. 5—Secretary of State Cyrus Vance says that the Soviet combat troops in Cuba are "a matter of serious concern."
- Former U.S. chief delegate to the U.N. Andrew Young heads a trade delegation of 24 businessmen on a 16-day trip to 7 African nations.
- Sept. 8—In an interview made public today, President Carter says that the SALT II arms limitation treaty should be approved "on its own merits" and should not be tied to the issue of Soviet combat troops in Cuba.
- Sept. 9—Senator Frank Church (D., Idaho), chairman of the Senate Foreign Relations Committee, says that the

Soviet combat brigade in Cuba is a test of "our resolve," which must be met with firmness to prevent "further Soviet adventurism."

Sept. 10—Secretary of State Vance meets with Soviet Ambassador to the United States Anatoly Dobrynin to discuss a diplomatic solution to the presence of Soviet troops in Cuba.

Sept. 17—Former President Richard Nixon arrives in Beijing for a 4-day visit to China.

Sept. 21—Ending 2 years of negotiations, the U.S. and Mexico announce an agreement for the sale of Mexican natural gas to the U.S.; the U.S. is to buy some 300 million cubic feet a day.

Sept. 26—At a conference of delegates from the 7 major industrial nations in Paris, Energy Secretary Charles Duncan says that the U.S. \$5.00-per-barrel subsidy on imported heating oil will end October 31.

Sept. 27—Secretary of State Cyrus Vance and Soviet Foreign Minister Andrei Gromyko conclude their discussion about the presence of Soviet combat troops in Cuba; no agreement is reported.

Sept. 28—In Washington, D.C., Mexican President José López Portillo begins 2 days of talks with President Jimmy Carter on U.S.-Mexican relations.

Sept. 30—Secretary of State Vance meets with Soviet Ambassador to the U.S. Anatoly Dobrynin to clarify the Soviet claim that the Soviet brigade in Cuba is only a training brigade.

Labor and Industry

Sept. 20—President Carter appoints an emergency board to intervene in the strike of workers against the Chicago, Rock Island and Pacific Railroad that began August 27; under the National Labor Relations Act, the striking workers are to return for 60 days while the emergency board attempts to resolve the dispute.

Sept. 28—President Jimmy Carter and Secretary-Treasurer of the AFL-CIO Lane Kirkland announce that the executive council of the labor organization has ratified an agreement with the administration: labor will accept 5 of the 15 seats on a new Pay Advisory Board; 5 seats are reserved for business and 5 for representatives of the public interest.

Kirkland announces that the AFL-CIO president, 85-year-old George Meany, will retire in November after 24 years as president of the organization.

Sept. 30—The United Auto Workers union approves a tentative contract with the General Motors Corporation.

Legislation

Sept. 5—Congress reconvenes after its August recess.

Sept. 14—The Senate Select Committee on Ethics recommends that Senator Herman Talmadge (D., Ga.) be denounced by the Senate for "reprehensible" financial misconduct.

Sept. 25—President Jimmy Carter signs the \$10.8-billion Energy and Water Development Appropriation Act of 1980 that includes an amendment waiving all laws (including the Endangered Species Act) that block completion of the \$115-million Tellico Dam project on the Little Tennessee River. The project had been blocked because the snail darter, a fish on the endangered species list, can live only in the Little Tennessee River. The Senate completed action on this act Sept. 10.

Sept. 26—The House votes 232 to 188 in favor of the enabling legislation to permit the carrying out of the terms of the Panama Canal Treaty, which goes into effect October 1; the Senate approved the bill yesterday.

Sept. 27—By a 215-201 vote, the House approves a com-

promise bill to establish a new Cabinet Department of Education; most of the education offices will be transferred from the Department of Health, Education and Welfare to the new department. The Senate approved the bill, 69 to 22, on September 24. The Department of Health, Education and Welfare becomes the Department of Health and Human Services. The bill goes into effect 180 days or sooner, at presidential discretion, after the Education Secretary is appointed.

Sept. 29—The House fails to approve the Senate version of a major appropriations bill; the House version would have included limits on the use of federal funds for abortion and a 5.5 percent limit on pay increases for federal judges and other senior federal officials.

Sept. 30—The House recesses for 10 days and President Jimmy Carter says he will not recall the House. Because the House did not pass the appropriations bill, federal judges and high-level government officials will receive a 12.9 percent pay increase on October 1. The judges are guaranteed that their pay will not be cut at a later date.

Military

Sept. 7—President Carter announces plans for a \$33-billion mobile missile system that will deploy some 200 MX missiles in western states; the system is expected to be operational by 1989.

Politics

Sept. 6—Sources close to Senator Edward Kennedy (D., Mass.) say that the Kennedy family has agreed not to object if Kennedy chooses to run for the presidency in 1980.

Sept. 26—In a handwritten note to Senator Edward Kennedy (D., Mass.), President Jimmy Carter says that his remarks at a Queens, New York, town meeting about "leadership" and not "panicking in a crisis" were not a personal attack on the Senator.

Science and Space

Sept. 1—Pioneer II comes within 13,000 miles of the surface of Saturn; the spacecraft has been traveling for 6.5 years and has covered some 2 billion miles.

VATICAN

(See *Ireland*)

VIETNAM

(See also *Cambodia; China*)

Sept. 27—The Foreign Ministry rejects China's claim to the oil-rich Paracel Islands in the South China Sea.

YUGOSLAVIA

(See *Intl. Conference of Nonaligned Nations*)

ZIMBABWE-RHODESIA

Sept. 8—Government troops complete action against nationalist guerrilla bases in Mozambique; 300 Mozambican regulars and nationalist guerrillas are reported killed in the raids that began September 6.

Sept. 10—In London, a constitutional conference begins on the future of Zimbabwe-Rhodesia; Robert Mugabe and Joshua Nkomo of the Patriotic Front, Prime Minister Abel T. Muzorewa and former Prime Minister Ian D. Smith attend.

Sept. 21—In London, the government delegation to the conference votes 11 to 1 to accept the "general principles" of the proposed constitutional changes; Smith has dissented. The proposal would eliminate the white minority's ability to block constitutional amendments. ■

Western Europe



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